



Foreign Ownership of Insurance Companies

by A. A. A. Reditha Saras



Image source: <https://encrypted-tbn0.gstatic.com/images?q=tbn%3AANd9GcQ-W24wjjByWlOpcFX4PzJKSDHKO59D2d3dsh8zD-xtP8am1Vt>

To fully support the growth and development of the insurance industry while also stimulating Indonesian entrepreneurship, the Indonesian government has enacted Regulation No. 3*, which clarifies and streamlines regulations on foreign ownership of insurance companies. Regulation No. 3 amends Regulation No. 14.**

Among other things, Regulation No. 3 amends the rules relating to foreign ownership of insurance businesses in the event of an increase in capital. Regulation No. 3 states that foreign ownership cannot exceed 80% of an Indonesian insurance company. Regulation No. 3 provides an exemption for those insurance businesses that exceed the 80% ownership threshold, if the threshold was exceeded prior to the enactment of Regulation No. 14. However, Regulation No. 3 provides that for those companies, no further foreign ownership will be allowed.

Regulation No. 3 provides that any increase in capital over the 80% threshold from non-Indonesian sources must come from a public offering of shares on the Indonesian stock exchange.

The threshold provisions in Regulation No. 3 also apply to any re/insurance companies separating their business into sharia re/insurance companies.

Regulation No. 3 sets out a number of administrative sanctions that the Financial Services Authority may impose for a breach of its provisions including:

- a written warning;
- limiting the business of the company, in whole or part;
- revoking the company's business license; and/or
- a fine.

*Government Regulation No. 3 of 2020 concerning Amendments to Government Regulation No. 14 of 2018 concerning Foreign Ownership of Insurance Business Companies.

**Government Regulation No. 14 of 2018 concerning Foreign Ownership of Insurance Business Companies.

Establishing and Operating a Hospital in Indonesia

by Melisa Kristian

In January 2020, the Minister for Health issued new regulations on establishing and running hospitals in Indonesia (the **Regulations**)*. The Regulations replace the Minister's September 2019 regulations on the same topic.



Image source: https://encrypted-tbn0.gstatic.com/images?q=tbn%3AANd9GcT6dTYQ7JLEaK8pXVIMv4RlBomSZmDWugD0u697hBwYWJ09uRg_

The Regulations categorise hospitals by whether they are established by the central government, the regional government or by private entities. The Regulations further categorise hospitals based on their permanence, including whether the hospitals are intended to be:

- permanent or long-term;
- temporary; established for a specific period of time. These hospitals are commonly found in underdeveloped regions; or
- temporary; established during specific events or emergencies (such as in regions affected by natural disasters).

The Regulations also categorise hospitals by their function (general or specialist) and by their size (bed numbers).

The Regulations set out specific permits and specific requirements for each categorisation.

Depending on the type of hospital, it may be overseen by government officials, supervisory board, associations or by the local community. The Regulations authorise government officials to apply administrative sanctions to hospitals in violation of its provisions including suspension of operations.

*Minister of Health Regulation No. 3 of 2020.

Customs Registration: New Regulations

by Fiaruska Raynaldo Vikorefial

The Indonesian Government is committed to increasing the ease of doing business. To that end, the Minister for Finance has issued new regulations to simplify customs registrations by integrating the Indonesia National Single Window System and the Portal of the Directorate General of Customs with the Online Single Submission (the Regulations).*



Image source: <https://www.kiwimovers.co.uk/wp-content/uploads/2019/04/customs-featured-1024x725.jpg>

The aim of the Regulations is to increase the administrative efficiency of customs registrations including by speeding the custom registration notification from one day to 3 hours. Further, the Regulation removes previous regulations' provisions requiring owners of Customs Services businesses to keep a separate amount of money as a warranty to the Customs and Excise office, as this provision was found to have limited the industry's growth.

*Regulations of the Minister for Finance of The Republic of Indonesia Number 219/PMK.04/2019 on The Simplification of Customs Registrations.

The Export of Mining Products: New Regulations

by Shaskia Putri Ramadhani



Image source: https://encrypted-tbn0.gstatic.com/images?q=tbn:ANd9GcRts12Y3lKuveyf93mcb0h_7xISQFF7gdmw-eINeVc5p

To increase the value of Indonesia's mineral resources and mining products exports, the Minister for Trade (**the Minister**) enacted new regulations relating to the export of processed and refined mining products (**Regulation No. 96**). *

To streamline the administrative processes, Regulation No. 96 introduces the use of the online single submission system for the submission for export applications.

Regulation No. 96 also introduces certain restrictions and limitation including:

- banning the export of nickel;
- limiting the export of bauxite until 11 January 2022;
- restricting the export of raw minerals or ore; and
- restricting mining products processed/refined in certain ways (the Products).

Regulation No. 96 provides that Products may only be exported if the exporter or exporting company has:

- obtained all licenses required by law;
- obtained export approval from the Minister; and
- traced/verified the source of the Products by use of a specialist surveyor.

Regulation No. 96 requires the exporter to submit follow up monthly reports on whether the products intended to be exported were in fact exported.

Failure to comply with Regulation No. 96 may lead to the suspension or revocation of export approval.

The provisions of Regulation No. 96 relating to export do not apply to certain mining products intended for export including, but not limited to, industrial products that include imported raw materials.

Regulation No. 96 has been effective since January 2, 2020.

* Regulation No. 96 revokes the Minister for Trade Regulation No. 01/M-DAG/PER/1/2017 concerning Provisions on The Export of Processed and Refined Mining Products.