



Tax Relief: New Regulations

by Woro Nastiti



Image source: <https://landlordalliance.co.uk/>

On 11 February 2020, the Minister for Finance has issued new Regulations* to help provide tax relief for certain businesses.

The Regulations clarify certain aspects of the provision of tax relief including when businesses can apply. The Regulations also provides that tax relief may be applied for through the online single submission system. The Regulations ease reporting obligations, relieving businesses of the need to provide a regular fixed asset list to the government and extending the reporting period on other aspects of the business operation.

Under the Regulations, the government also provide tax relief period extension for any businesses that suffer a loss in their tax year and increases at least 300 or 600 local workers and maintain the number.

*Regulation No. 11/PMK.010/2020, which is the implementing regulation to Government Regulation No. 78 year 2019

Private Companies: Managing State Assets

by Fiaruska Raynaldo Vikorefi

The President has enacted new regulations allowing private companies to help manage state-owned goods and assets (the Regulations).*



Image source: https://encrypted-tbn0.gstatic.com/images?q=tbn%3AANd9GcQuLfvZi53m1bV1h2MT_g_fjTaK0dQ1j0QnEQb4ZL4yKIVSjmi6k

The Regulations allow for certain business entities, including limited liability companies and foreign business entities, to be given certain rights to manage state assets including road tolls, drinking water, waste management, telecommunications, electricity, oil, gas and renewable energy infrastructure, among others.

The assets that may be managed must meet certain criteria including that the asset must, for:

- state-owned enterprises, have been in operation for at least two years;
- state-owned enterprises, need improvement in operational efficiency;
- state-owned goods, have been listed in a government financial statement in the previous reporting period; and/or
- state-owned enterprises, have a positive cash flow for at least two consecutive years and have audited records for at least three consecutive years.

These management rights are seen as a way to free up government resources, allowing government to invest in new development projects, while having existing assets properly managed by private enterprise.

*Regulation of the President of the Republic of Indonesia Number 32 of 2020 on Infrastructure Financing Through Limited Management Rights (PR 32/2020).

Electronic Integration of Trade Licences: New Regulations

by Melisa Kristian

Businesses in Indonesia's trade sector are required to obtain a number of different licences in order to operate legally including business licences, commercial licences and/or operational licences (together, Trade Licences). In February 2020, the Minister for Trade enacted new regulations* to streamline the Trade Licence application process (the Regulations). Under the Regulations, the Trade Licences may be applied for online through the online single submission (OSS) system after the applicant has obtained a business identification number.



Image source: https://encrypted-tbn0.gstatic.com/images?q=tbn%3AAnd9GcRr1uG36SK0X1w8h-1-ErLZjW_8Ks4K00DnRNvN424dvRH2vu

Certain Trade Licences place obligations/commitments on the holder in order to come into effect. The completion and reporting of these obligations/commitments may now be done through the OSS system.

Failure to comply with the Regulations may lead to administrative sanctions, including suspension of Trade Licences.

* Minister for Trade Regulations No. 8 of 2020 on the Electronically Integrated Business Licence Application Services in the Trade Sector

Exporting Forestry Industry Products

by Pratiwi Widyastuti



Image source: <https://encrypted-tbn0.gstatic.com/images?q=tbn%3AAnd9GcRr1zkoz-c4vlu0jC8ZQz7LDHMyjBmjs-D30n8hrNy4Jesp>

The Minister for Trade has issued new regulations relating to the export of forestry industry products.*

The new Regulations require any forestry companies or trading companies to have the proper business licences in order to be allowed to export forestry products. All properly licenced exporters must verify that their products meet the required standards set out in the Regulations. Further, the Regulations require that all products for export must be reviewed by a government appointed surveyor prior to export.

The Regulations require exporters of forestry products to submit annual reports to the government. Submission may be carried out online. Any exporter that fails to submit reports may have their business licences revoked.

*Regulations of Minister of Trade No. 15 of 2020 regarding the Export of Forestry Industry Products.