



## Land Registry Going Electronic

by Jayalaksana Purnama



Image source: <https://pixabay.com/photos/land-registry-property-terminology-2564744/>

In January 2021, the Minister for Agrarian Affairs\* announced new Regulations\*\* introducing online document submission processes and administration procedures for the land registry. The new Regulations revoke previous rules relating to hard copy records and include provisions relating to the administration and recording of land registration electronically.

Further, the new Regulations restate that the new registration system is intended for initial land registration and data maintenance. Electronic documents and/or hard copy documents created from the new electronic system, that have been duly authenticated, will be legally valid as evidence.

\*Menteri Agraria dan Tata Ruang/Kepala Badan Pertanahan Nasional.

\*\*Minister for Agrarian Affairs and Spatial Planning/Head of the National Land Agency Regulation Number 1 of 2021 on Electronic Certificates.

## New Investment Regulations

by Fidi Hania

The Government has recently released Investment Regulation\* (the **Regulations**), as one of the implementing part of the Job Creation Law\*\* to stimulate investment in Indonesia for both locals and foreigners.

The Job Creation Law provides that any area may be invested in by the general public other than six specified areas, which include administrative and/or defense security.

The Regulations categorize types of investments into priorities, which are then supported by the government in different ways including by financial incentives. Two of the high priority categories that are specifically supported with government incentives are high tech business/research and development and innovation. Investment in these areas will benefit from government incentives including tax holidays, tax allowance, ease of licensing, etc.

The Regulations also provide allocated businesses with cooperatives or with micro, small, and medium enterprises (MSMEs) which include, among other things, investment in areas that do not have technology as its sole purpose. On the other hand, the partnership with MSMEs for example, investments to scale up supply chains.

While all areas (other than the six specified in the Regulation) are open for investment, there are some limitations, such as, on foreign investment or minimum domestic capital investment. For example, the minimum investment allowed in any investment is Rp 10 billion (approx. USD 71,000) though this minimum is waived for investment in technology start-ups that are located in special economic zones.

The Regulations replace the previous Presidential Regulation on the topic, known as the Negative Investment List (DNI).

\*Presidential Regulation No. 10/2021 on Investment Business Sector

\*\*Law No. 11/2020 on Job Creation law

# Capital Market Law: Repayment of Illegally Gotten Gains

by Rahmi Intan Jeyhan

Indonesia's Financial Services Authority (the **FSA**) has issued new regulations relating to the return of unauthorised profits (disgorgement) and compensation for investor losses (the **New Regulations**).\* The New Regulations will come into force in June 2021.



The New Regulations allow the FSA to compel parties who breach the laws governing capital market finance to return any profits gained as a result of the breach. The return is to be carried out through a specific account, provided by an FSA appointed financial institution. Fixed assets may be also used to repay illegally obtain profits.

If the FSA issues a repayment or disgorgement order, then the named party must make the payment within 30 days after receipt.

The Draft Regulations give the FSA further powers including compelling financial institutions to block accounts and to transfer assets from the account of the violating party.

Generally, the funds will be repaid to those who suffered losses. However, if that is not feasible, the funds will be used for the development of the capital market sector.

The FSA will appoint special administrators to oversee the disgorgement funds.

\*Regulation No. 65/POJK.04/2020 on the Return of Unlawful Profits and the Compensation Fund for Investor Losses Within the Capital-Market Sector.

# New Hope for Farmers: Simple Financing Introduced

by Hans Thioso



The Government has, with some delay, issued regulations designed to stimulate and support Indonesia's farmers and farmer-owned businesses with special government-backed financing.\* These new regulations are the accompaniment to a law passed in 2013 to protect and empower farmers.\*\* The reason for the delay between the law and the implementing regulations is not clear.

The Regulations are intended to stimulate and support farmer and farmer-owned businesses. Measures included in the Regulations include government-backed finance. Farmers and farmer-owned businesses who wish to apply for special financing must submit their farming plans to the government. After consideration, the government will give recommendations to farmers or farmer-owned businesses to apply for government-backed financing to particular banks or financial institutions. Application procedures have been significantly simplified so that the financing can be obtained quickly and with minimum administration.

\*Government Regulation Number 81 of 2020 concerning the Farming Business Financing.

\*\*Law 19 of 2013 concerning the protection and empowerment of farmers.