

## Telecommunication Services Industry: New Regulations

by Galih Adi Prasetya



Image source: <https://images.fineartamerica.com/images/artworkimages/mediumart/planet-with-illuminated-network-allan-swar.jpg>

In order to simplify and codify the regulations in the telecommunication services industry, the Minister for Communication and Information of the Republic of Indonesia has enacted new regulations (the **Regulations**).\*

Among other things, the Regulations:

- categorise telecommunication services into three basic services, which are basic telephone services (e.g. telephone, facsimile, SMS, MMS), value-added telephone services (e.g. call center services, calling card services) and multimedia services (e.g. internet service providers);
- require telecommunication service providers (the **Service Providers**) to use telecommunication networks provided by telecommunication network providers, as defined by the Regulations. Further, the Regulations state that Service Providers may not assign its rights to another party without prior consent of the telecommunication network provider;
- classify Service Providers, that provide telephone services via a landing right satellite, as a basic telephone services provider attracting all the consequent rights and obligations, as set out in the Regulations; and
- require internet service providers, connected to international networks, to cooperate with Service Providers for the provision of various services including network access points. This may be carried out with individual Service Providers or collectively.

Service Providers may apply for business licences through the online single submission system. Applications will be assessed by the Ministry of Communication and Information. Any Service Providers that already have the relevant business licences have 24 months from the date the Regulations come into force (April 2020) to amend the terms of the licence to ensure that it is compliant with the Regulations.

\* The Minister for Communication and Information of Republic of Indonesia Regulation No. 13 of 2019 on the Implementation of Telecommunication Services.

## Reporting of Foreign Customers' Financial Information

by Galih Adi Prasetya

On 16 October 2019, the Financial Services Authority of Republic of Indonesia (**OJK**) issued new regulations on the reporting of foreign customers' tax information (**Regulations**).<sup>\*</sup> The purpose of the Regulations is to further strengthen the legislative provisions to discourage tax evasion by foreigner customers of Indonesian financial institutions.



Image source: [techcrunch.com/wp-content/uploads/2014/12/currency.jpg](https://www.techcrunch.com/wp-content/uploads/2014/12/currency.jpg)

The Regulations:

- require certain financial institutions, including the Rural Credit Bank, the Sharia Rural Financing Bank, and general insurance companies (both conventional and sharia), to provide the OJK with reports on foreign customers' financial information;
- require financial institutions to report directly to the OJK via the OJK's online system, removing the right of financial institutions to delegate reporting tasks to agents;
- remove the obligation for financial institutions to obtain foreign customers' written consent prior to submitting reports to the OJK;
- allow financial institutions to correct reports, within certain time frames.

\* OJK Regulation No. 25/POJK.03/2019 of 2019 on the Reporting of Tax-Related Information on Foreign Customers to Partner Country and Partner Jurisdictions.

# Investment Firms: Trading with Proprietary Capital

by Fahres Lay



Image source: [https://encrypted-tbn0.gstatic.com/images?q=tbn%3AANd9Gc5pL\\_eMvCQ5gkR9r09LzFP2bw92TgCsQzWc5J0b6dEsci89Pyf](https://encrypted-tbn0.gstatic.com/images?q=tbn%3AANd9Gc5pL_eMvCQ5gkR9r09LzFP2bw92TgCsQzWc5J0b6dEsci89Pyf)

The Board of Governors of the Bank of Indonesia has issued new Regulations<sup>1</sup> that apply to investment firms that regularly carry out trades using proprietary capital.

These investment firms must obtain an operation permit from the Bank of Indonesia. In order to obtain an operation permit, the investment firms must comply with certain requirements, as set out in the Regulations, which include the implementation of adequate audit technology. The Regulations give the Bank of Indonesia full discretion as to whether to provide the relevant permits. Further, the Bank of Indonesia may publish the names of all permit holders on its website. The Regulations set out specific types of transactions that these investment firms may carry out. Investment firms must notify the Bank of Indonesia if they deviate from the approved transactions. Similarly, the Regulations set out reporting obligations requiring investment firms to notify the Bank of Indonesia of any issue that may negatively affect its operations or the money markets.

The Regulations require the investment firms to implement best practice principles relating to transparency and risk management.

<sup>1</sup> Regulations of the Members of the Board of Governors Number 21/20/PADG/2019 Regarding Systematic Internalisers.

# Standardisation and Quality Control of Goods

by Fahres Lay

The Minister for Trade has issued new regulations to standardise the quality of goods (the **Regulations**).<sup>1</sup> The Regulations require that goods for sale must be assessed against the Indonesian National Standards, or, the Standar Nasional Indonesia (SNI), by a technical committee made up from members of the Conformity Assessment Institute or the LPK.



Image source: <s17026.pcdn.co/wp-content/uploads/sites/13/2018/07/Franchise-branding-e1532427506749.jpeg>

The Regulations require that once trading goods have passed the SNI assessment, they must be registered, by the manufacturers or importers, to obtain a goods registration or known as the Item Registration Number (NPB), with an attachment of a Product Certificate for the Use of Indonesian National Standard Signs (SPPT SNI) and Certificate of Conformity. This goods registration number must be displayed on the packaging of the goods. Once the goods have the proper documentation and registration number, correctly displayed, they may be sold. The Regulations have similar requirements for standards relating to the provision of services.

The Regulations provide that failure to comply with the obligations relating to standardisation may result in the relevant

goods being withdrawn from sale and/or the revocation of the registration number.

<sup>1</sup> Regulation of the Minister for Trade of the Republic of Indonesia, Number 81 of 2019 regarding the Standardisation in the Trading Sector.Regulations of the Members of the Board of Governors Number 21/20/PADG/2019 Regarding Systematic Internalisers.

## VSL | LEGAL

Soho Capital, 17<sup>th</sup> Floor  
Jl. Letjen. S. Parman Kav. 28  
Jakarta 11470, Indonesia

t : +6221-29181342  
f : +6221-29181343  
info@vsll.co.id  
Website: vsll.co.id

This is a digital publication prepared by the Indonesian law firm, VSL LEGAL. It is only intended to inform generally on the topics covered and should not be treated as legal advice or relied upon when making investment or business decisions. Should you have any questions on any matter contained in this publication, or other comments generally, please contact your usual VSL LEGAL contact or email to [info@vsll.co.id](mailto:info@vsll.co.id).