

## Land And Building Tax: Regulations Updated

by Galih Adi Prasetya



Image source: <https://i0.wp.com/foresight-id.com/wp-content/uploads/2018/11/PER-26-Land-and-Building-Tax-Law.jpg>

On 10 November 2019, the Minister for Finance of the Republic of Indonesia enacted new regulations to simplify the calculation of tax payable on land and buildings in the mining and natural resources sectors (the **Regulations**\*).

The Regulations:

- specify that the tax calculation methods apply to land and buildings used in agricultural plantations, forestry, oil, mining (offshore/onshore) including coal mining, geothermal energy extraction (offshore/onshore) and other sectors;
- provide detailed calculation methods, which are sector specific, and include price comparison, new value and sales values; and
- specify that the sales value of land or buildings can be calculated as set out in various contracts entered into by the relevant business entity including an employment contract, a mining contract or a business licence.

This Regulations came into effect on 1 January 2020 and superseded all previous regulations.

\* Minister for Finance Regulation No. 186/PMK.03/2019 of 2019 on the Classification for Tax Object and Procedures for Determining the Tax Object Sale Value for Land and Building Tax.

## Industrial Area Business Permits: New Regulations

by Galih Adi Prasetya

On 2 December 2019, the Minister for Industry enacted new regulations to streamline business licensing for industrial areas (**Regulations**)\*. From 2 December 2019, Industrial Area Business Permits and/or Industrial Area Expansion Business Permits may only be obtained through the online single submission system.



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The Regulations:

- limit Industrial Area Business Permits to those companies that have Standard Indonesian Business Field Classifications No. 68130 (Industrial Area Business);
- replace the principal licence with a checklist of commitments that must be fulfilled in order to activate an Industrial Area Business Permit;
- require registration with the National Industrial Information System to obtain a SIINAS account, one of the commitments on the checklist; and
- require a permit applicant to have an organisational structure that includes human resources, business development, an environment department, transportation, basic infrastructure, water, energy management, security, and a corporate social responsibility capability.

All business entities that held the relevant permit prior to the enactment of the Regulations must now comply with the provisions in the Regulations.

\* The Minister for Industry of the Republic of Indonesia Regulations No. 45 of 2019 on the Procedures for Granting Industrial Area Business Permit and Industrial Area Expansion Business Permit under the Framework of Integrated Electronic Business Licensing Services.

# Anti-Fraud Bank Strategy

by Fahres Lay

The Financial Services Authority of the Republic of Indonesia has issued new Regulations to help detect and prevent banking fraud.<sup>1</sup> The Regulations defined the act of banking fraud such as deception, deceit, embezzlement of assets, and any related banking crimes.



Image source: <https://encrypted-tbn0.gstatic.com/images?q=tbn%3AANd9GcQKqH5Cod3GDUwqh0zckZDeD3rm24zOeI7DsrSjgy2xI9kELR>

The Regulations require all banks to have an appropriate anti-fraud strategy that covers the following four areas:

- prevention;
- detection;
- investigation, report and sanction; and
- monitoring, evaluation, and follow-up.

In addition, the Financial Services Authority requires all banks to have a risk management strategy.<sup>2</sup>

The Regulations require that banks must create a separate working group to deal with anti-fraud, headed by an anti-fraud expert. This group must report directly to the President Director and the Board of Commissioners.

Banks must report fraud to the Financial Services Authority. The Regulations set out administrative sanctions for failure to comply.

<sup>1</sup> Regulations of the Financial Services Authority of the Republic of Indonesia POJK No. 39/POJK.03/2019

<sup>2</sup> Regulations of the Financial Services Authority of the Republic of Indonesia POJK No. 18/POJK.03/2016

# Banking: New Regulations Boost Employee Competency

by Fahres Lay



Image source: <https://encrypted-tbn0.gstatic.com/images?q=tbn%3AANd9GcTlIkHfZnhg7hmMj9IQZ8LYEV40Ys3aIGvvn-Th36dW8NY9JX1>

The Bank of Indonesia has issued Regulations<sup>1</sup> setting out new competency standards for employees of banks and similar institutions who work with technology payment systems and Rupiah management.

The function of this Regulations is to help and secured the protection of the consumer and client in using the payment system and Rupiah money management.

The Regulations require certain employees of banks and similar institutions to undergo competency training and achieve competency certification before working with payment systems and Rupiah management. This will create a competent employee that is able to provide quality services according to the standard that has been set by the Regulations for payment systems and Rupiah management.

The Regulations outline competency standard for various different activities in the payment systems and Rupiah management that includes:

- cash payment systems;
- non-cash payment systems;
- settlement transactions and trade finance;
- the administration of securities; and

- other related activities as notified by the Bank of Indonesia.

The Regulations provide administration sanctions for the breach in the payment systems and Rupiah management, including the revocation of the licence allowing banks to carry out the activities in question.

<sup>1</sup> Bank Indonesia Regulation No 21/16/PBI/2019



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