

Foreign Ownership of Insurance Companies

by Fahres Lay



Image source: <https://encrypted-tbn0.gstatic.com/images?q=tbn%3AANd9GcRFx54c17EWbRf4wYk7cGZUF5IQINfsQTEkiddg5NDyckYq>

The President has issued new Regulations changing the current law on foreign ownership of insurance companies operating in Indonesia.* The main change that the Regulations introduce is that insurance companies must not be more than 80% foreign owned. This does not apply to a non-listed insurance company that already exceeds the limit. However, such companies will not be able to further increase their foreign ownership. The 80% limit also applies to insurance companies that have separated their business into separate sharia re/insurance companies.

The Regulations allow for insurance companies to increase paid-up capital over the limit from foreign buyers but only:

- if the companies cannot obtain Indonesian funding; and
- through an initial public offering of shares on the Indonesian stock exchange.

The Regulations set out a number of administrative sanctions for breach of its provision including:

- written warnings;
- restrictions on business activities;
- revocation of business licenses; and
- administrative fines.

*Government Regulation No. 3 of 2020 Regarding Amendments to Government Regulation Number 14 of 2018 on Foreign Ownership of Insurance Companies.

Hospital Classification and Licensing

by Fahres Lay

The Minister for Health has issued new regulations relating to hospital classification and licensing (the **Regulations**). The Regulations state that hospitals may be established by the Central Government, the Local Government or by the private sector.



Image source: https://encrypted-tbn0.gstatic.com/images?q=tbn%3AANd9GcT5zhDN8y3aL1V9Kn34jVT3pkOXp8wN7ZC4LH_PAGF8Dk6

The Regulations categorise hospitals into:

- static - permanent hospitals or hospitals intended to operate for a long period of time;
- mobile - temporary hospitals that are easily moved; and
- field - set up to deal with specific events such as natural disasters or emergencies.

The Regulations further categorise hospitals as either general or specialist and by the number of beds they have. Each category of hospital must fulfil specific requirements including in relation to location, types of buildings, facilities, equipment, etc, before being eligible for the relevant licence/permit.

The Regulations require operators to obtain an establishment permit in order to establish a hospital and then a further operating permit in order to be able to operate as a hospital. If the hospital's activities and operations mean that it is in effect changing classification categories, this change must be reported to the Public Health Department.

All applications and approvals for licences and permits must be done through the online single submission system.

*Regulation of the Minister for Health of the Republic of Indonesia No. 3 of 2020.

Customs Registration Procedures: New Regulation

by Galih Adi Prasetya

On 31 December 2019, the Minister for Finance of the Republic of Indonesia enacted new regulations to simplify the customs registration procedures (the **Regulations**).^{*} The Regulations aim to streamline customs and excise duty licensing and integrate it into the online single submission system (OSS).



Image source: <https://encrypted-tbn0.gstatic.com/images?q=tbn:ANd9GcRU6GYaWES9ubrHjp3my5jCtQd9fOQ39-Mlxkyfo0D-6DF0b6s>

The Regulations:

- integrate procedures to obtain the customs registration into the OSS system;
- regulate the customs registration process for those that conduct their business in free trade zones and operate export/import facilities;
- extend the exemption from customs registration to certain types of goods, such as bankrupt debtor's goods (as proven by the court), military goods, and goods for promotional purposes;
- requires an exporter to fulfil certain commitments before being able to receive its customs registration; and
- allows for the temporary revocation of a customs registration blockage in certain circumstances.

The Regulations will come into effect on 31 January 2020.

^{*}Minister for Finance Regulation No. 219/PMK.04/2019 of 2019 on the Simplification of Customs Registration.

Export of Mining Products: New Regulations

by Galih Adi Prasetya



Image source: https://www.miningglobal.com/sites/default/files/styles/slider_detail/public/image/stock_60195326_XLARGE-web.jpg?tok=Up_art

On 30 December 2019, the Minister for Trade of the Republic of Indonesia has enacted new regulations on the export of processed and purified mining products (the **Regulations**).^{*} The Regulations aim to increase the added value of mining products and integrate the online single submission system (OSS) to the mining licensing process.

The Regulations:

- prohibit the export of various raw materials, concentrates and ore such as bauxite, manganese, anode slime, and lead after 11 January 2022;
- remove the requirements of Clear & Clean status for mining license holders that want to export any mining products listed in Attachment III of the Regulations;
- require any surveyor of mining products for export, who carry out product verification or technical searches, to carry out their job using the appropriate industry standard technology;
- allow the Public Service Agency, a non-profit government agency, to

survey mining products in order to verify them and conduct technical searches for permit processing purposes; and

- exempt exporters of industrial products made up of imported raw materials if the exporter obtains an Importer Identification Number.

The Regulations came into effect on 2 January 2020 and superseded the Minister for Trade Regulation No. 01/M-DAG/PER/1/2017 on the same topic.

^{*}Minister for Trade Regulation No. 96 of 2019 on the Provisions on the Exports of Processed and Purified Mining Products

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