

New BKPM Regulation On The OSS System

As a follow up of our previous article on [Online Single Submission \(OSS\) System – New Regime of Business Licensing Process in Indonesia](#), this article shall discuss the New BKPM Regulation Number 6 of 2018 on Guideline and Procedure on Investment Licenses and Facilities (“**BKPM Reg 6/2018**”) which revokes the previous BKPM Regulation Number 13 of 2017.

Due to some uncertainty procedures on application of investment licenses and facilities through the OSS System which has been transferred from the Indonesia Investment Coordinating Board (“**BKPM**”) to the Coordinating Ministry for Economic Affairs (“**Kemendikoperekonomian**”), the BKPM issued the BKPM Reg 6/2018.

Application of investment licenses and facilities for some major businesses should be done through the OSS System, unless for some specific business as provided in Article 4 of the BKPM Reg 6/2018 i.e.:

1. Energy and Mineral Resources for Electricity, Oil and Gas, Mineral and Coal subsectors.
2. Public Works and Public Housing.
3. Custom and Taxation.
4. Others:
 - a) Regional Representative Office License;
 - b) Branch Office Opening Licenses in Energy and Mineral Resources Sector, Electricity Subsector; Energy and Mineral Resources Sector, Oil and Gas Subsector; Energy and Mineral Resources Sector, Mineral and Coal Subsector; and Public Works and Public Housing Sector, the business licenses of which are Issued by PTSP at BKPM;
 - c) Limited Stay Visa (Vitas) Granting Recommendation as Shareholders;
 - d) Recommendation for Change of Status from Visit Stay Permit to Limited Stay Permit;
 - e) Recommendation for Change of Status from Limited Stay Permit to Permanent Stay Permit.

The BKPM Reg 6/2018 still requires the same requirements for setting up a Foreign Investment Companies (PMA) in Indonesia. For instance, the minimum investment must be more than IDR 10 billion (excluding investments for land and building) and the PMA companies should be regarded as large scale businesses with net profit of more than IDR 10 billion (excluding investments for land and building) and annual sales of more than IDR 50 billion, unless for business in property development sector.

Under the BKPM Reg 6/2018, the newly established PMA companies must obtain 3 (three) licenses via the OSS System i.e. Business Identity Number (*Nomor Induk Berusaha - NIB*), Business License (*Izin usaha*) and Commercial License (*Izin Komersial*), unless for the specific businesses above. Meanwhile, requirement for investment reporting (LKPM) still be done through SPIPSE or NSWI portal managed by the BKPM.

Stipulation on Divestment Obligation requirements and Change of Status Subsidiaries were removed in the BKPM Reg 6/2018. In the previous BKPM Regulation, if the parent company changes its status becoming a PT PMA, its subsidiaries should also change its status. Therefore, it still remains a question whether these requirements are still applied to the PMA companies and how the OSS System will alert the PMA companies to comply.

KSP Law Office can assist clients to apply NIB, Business License and Commercial License through the OSS System, please call us at +6221 3972 2042 or drop us an email at mail@ksplaw.co.id.