



INDONESIA INVESTMENT COORDINATING BOARD

Press Release

Vice-President Launched Three-Hours Investment Licensing Service

Jakarta, January 11th 2016 --- Vice-President Jusuf Kalla officially launched the Three-Hours Investment Licensing Service at One Stop Services in Indonesia Investment Coordinating Board (BKPM) office. The event was attended by more than 400 prominent stakeholders which include the Coordinating Economic Affairs Minister, along with Minister of Foreign Affairs, Minister of Industry, Minister of Trade, Minister of Manpower, Minister of Agrarian and Spatial Affairs/Chief of National Land Agency, Chief of National Police, Ambassadors, foreign business associations, captain of industries, and potential investors.

Vice-President Jusuf Kalla highlighted the importance of the said service to support the achievement of 7% economic growth target. "Before I come to this event, I asked my people to check the three-hours licensing services, and it is really a tremendous achievement for us in order to assist investors in Indonesia," he said on his speech on the opening ceremony in Nusantara Room, BKPM office, Monday (11/1).

Kalla asserted that the competition with other countries to attract foreign direct investment is becoming more competitive. During the event, Kalla accompanied by Chairman BKPM and fellow ministers are visiting the investment lounge that is particularly designated for three-hours licensing services and having made small conversations with the representatives of 22 ministries in BKPM's one stop services.

Chairman of BKPM, Franky Sibarani stated at the launching of Three-Hours Investment Licensing Service that the simplifying services is part of *Revolusi Mental* (mental revolution) which is President Joko Widodo's flagship program. "Vice-President Jusuf Kalla is always supportive on BKPM program. When we launched the one stop services back on January 26th last year, it could not have happened without his support and directive," said Franky.

Franky mentioned that BKPM has undertaken three steps improvements to bolster the investment acceleration. First is to simplify the investment licenses, and to facilitate investment projects that are facing some obstructions (debottlenecking), and lastly to boost investment.

According to Franky, Three-Hours Investment Licensing Service retains a strategic role in accelerating investment flow to Indonesia, foreign and domestically. "With this service, we expect that in the terms of license and regulation simplification, Indonesia could improve its competitiveness," he explained.

Furthermore, BKPM has allocated trained priority investment officers to provide assistance for investors in the three-hours investment licensing service. Investors who come directly with their investment plan equals to over IDR 100 billion (USD 8 million) and/or employs at

least 1.000 manpower, are expected to bring their ID (passport or the deed of foreign company ownership) and the flowchart of their production activity.

“The service process flow would be like this, firstly, the eligible investors have to come to BKPM in person and take the queuing number. Then they will be greeted by Director of Investment Services. Investors are welcome to wait in the investment lounge for three-hours investment licensing service. The priority investment officer will deal with all the documents needed and hand them out to the investors when all of the processes are finished,” he mentioned.

In addition, Franky asserted that the launching which took place today is an improvement of the previous three-hours licensing service. The former service which was launched on October 26th 2015 comprised three license products and one land-booking certificate. Up until January 11th 2016, there are 7 companies that have utilized the three-hours service with total investment value worth IDR 17.85 trillion. “Those companies come from industrial sector, real estate, power plant, port, and livestock production,” he described.

From 23 Days to 3 Hours

Chairman of BKPM, Franky Sibarani highlighted on the importance of three-hours investment licensing service in relation to the simplification of the time requirement in processing 8 license products plus 1 certificate of land booking. “We have done the calculation; previously they needed more than 23 days to process all 8 license products, including the time to process the deed of establishment and Power of Attorney from Ministry of Law and Human Rights. Now it just takes three hours,” he explained.

By employing the said service, investors will receive investment license, Taxpayer Number (NPWP), Establishment Deed and Decree of Legalization of the company from Ministry of Law and Human Rights, Company Registration Certificate (TDP), Foreign Manpower Utilization Plan (RPTKA), Foreign Manpower Utilization Permit (IMTA), Importer-Producer Identity Number (API-P), and Customs Identity Number (NIK).

Number	Type of License	Time Limit for Issuance (Before)	Time Limit for Issuance (After)
1.	Investment License	3 working days	3 hours
2.	Deed of Establishment and Decree of Legalization of the company	Subject to variation(depends on the issuance process at Notary)	
3.	NPWP	1 working days	
4.	TDP	3 working days	
5.	RPTKA	3 working days	
6.	IMTA	3 working days	
7.	API-P	5 working days	
8.	NIK	5 working days	

Franky added that the aforementioned 8 (eight) license products are issued by five institutions aside from BKPM. The list includes Directorate General of Taxation of Ministry of Finance for the issuance of NPWP, Directorate General of Customs and Excise of Ministry of Finance for the issuance of NIK, Ministry of Trade for the issuance of TDP and API-P, Ministry of Manpower and Transmigration for the issuance of IMTA and RPTKA, Ministry of Law and Human Rights for the issuance of Legalization Decree of the establishment of new company and also the notary for the issuance for Establishment Deed of the new company. Apart from all those license products, there is also one Certificate of Land Booking that is published by Ministry of Agrarian and Spatial Affairs/National Land Agency.

Apart from the three-hours service, previously on December 14th 2015 BKPM has coordinated with Directorate General of Customs and Excise of Ministry of Finance to provide incentive for investors in the form of acceleration of machines/goods import facility. It is applied to investors who are still in the construction phase of their investment realization. "Such facility comes in the form of acceleration of 'green lane' status promotion through company profiling," Franky detailed.

With a recommendation from BKPM, an upgrade of one company's profiling into the 'green lane' status will take a shorter amount of time compared to what it would be in the normal condition. Normally, a new company will be categorized as a high risk and will be placed on 'red lane', consequently it needs physical examinations and document analysis before the Approval Letter of Good Delivery (*Surat Persetujuan Pengeluaran Barang/SPPB*) will be issued within 3-5 days time limit. "With the 'green lane' acceleration, that process will be reduced to approximately 30 minutes," he pointed out.

This implementation will speed up the company's construction phase, as there will be a time certainty regarding the customs clearance process at the port. Companies are eligible in acquiring recommendation from BKPM with the following prerequisites: company is in the physical construction phase (building a factory), company has to report the latest Investment Progress Reports (*Laporan Kegiatan Penanaman Modal/LKPM*) to BKPM and have a good track record of previous LKPM's reporting, and company is required to write a statement letter in which it will not misuse the imported goods (imported goods should conform to the import documents and be employed in accordance to the implementation of Principle License).

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