

## INDONESIA – SCHEDULE OF SPECIFIC COMMITMENTS

### For the 9<sup>th</sup> Package of Commitments under ASEAN Framework Agreement on Services

Modes of Supply:                      1) Cross-border supply    2) Consumption abroad    3) Commercial presence

Sector or Subsector	Limitation on Market Access	Limitation on National Treatment	Additional Commitments
<b>I. HORIZONTAL COMMITMENTS</b>			
ALL SECTORS INCLUDED IN THIS SCHEDULE	<p>3) Commercial Presence of the foreign service provider(s) may be in the form of joint venture and/or representative office, unless mentioned otherwise.</p> <p>Joint venture should meet the following requirements:</p> <p>(i) should be in the form of Limited Liability Enterprise (Perseroan Terbatas/PT),</p> <p>(ii) not more than 49% of the capital share of the Limited Liability Enterprise (Perseroan Terbatas/PT), may be owned by foreign partner(s).</p>	<p>3) The Income Tax Law provides that non-resident taxpayers will be subject to withholding tax of 20% if they derive the following income from Indonesian source:</p> <p>(a) interest</p> <p>(b) royalties</p> <p>(c) dividend</p> <p>(d) fee from service performed in Indonesia</p> <p>The tax rate can be changed due to tax treaty.</p> <p>Land Acquisition</p> <p>Undang-Undang Pokok Agraria (Land Law) No. 5 of 1960 stipulates that no foreigners (juridical and natural persons) are allowed to own land. However, a joint venture enterprise could hold the right for land use (Hak Guna Usaha) and building rights (Hak Guna Bangunan), and they may rent/lease land and property.</p> <p>Any juridical and natural persons should meet professional qualification requirements.</p>	

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	<p>4) Subject to Indonesian Labour and Immigration Laws and Regulations, only directors, managers and technical experts/advisors, unless mentioned otherwise, are allowed to stay for two years and could be extended for a maximum two times subject to two years extension each time. Manager and technical experts (intra corporate transfer) are allowed based on an economic needs test.</p> <p>The entry and temporary stay of business visitor(s) is (are) permitted for a period of 60 days and could be extended maximum for 120 days.</p>	<p>4) Expatriate Charges Any foreign natural persons supplying services are subject to charges levied by Governments</p> <p>Labour Laws and Regulations. Any expatriate employed by a joint-venture enterprise, representatives office, and/or other types of juridical person and/or an individual services provider must hold a valid working permit issued by the Ministry of Manpower and Transmigration.</p>	

## INDONESIA - SCHEDULE OF SPECIFIC COMMITMENTS

### For the 7<sup>th</sup> Package of Commitments under ASEAN Framework Agreement on Services

#### Definitions:

**"Director"**: One or a group of persons entrusted by the shareholders of a services providing entity with the final overall control and direction of the enterprise, and legally responsible to act on behalf of the enterprises inside and/or outside of the court.

**"Manager"**: Senior employee of a service supplier who primarily directs the management of the organisation, receiving general supervision or direction principally from the board of directors of the business, including directing the service supplier or a department or sub-division thereof, supervising or controlling the work of other supervisory, professional or managerial employee or having the authority to hire or fire or recommend such or other personnel actions.

**"Technical Expert/Advisor"**: Person employed by a service supplier who possesses a standard of high or common (i) qualifications referring to a type of work or trade requiring specific technical knowledge or (ii) knowledge essential or proprietary to the service, research equipment, techniques or management.

**"Joint Operator"**: A joint operation is an undertaking between one or several foreign and Indonesian enterprises of temporary nature, to handle one or several project/businesses without establishing a new statutory body according to Indonesian laws

**"Joint venture Enterprise"**: A joint venture enterprise is a legal entity organised under Indonesian law and having its domicile in Indonesia, in the form of cooperation between foreign capital and Indonesian (national) capital.

**"Contract Management"**: Contract management is a contract organised under Indonesian law in the form of cooperation on management of temporary nature between Indonesian (national) capital and foreign capital.

**"Business visitors(s)"**: natural person(s) staying in Indonesia for the purpose of participating in business meeting, business contacts including negotiations for the sales of services and/or other similar activities including those who prepare for the establishment of a commercial presence in Indonesia, without acquiring remuneration and/or any other direct income from within Indonesia, and are not engaged in making direct sales or supplying services to general public.