GOVERNMENT SUPPORT
IN RESPONSE TO COVID-19

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INTRODUCTION

The Indonesian Government has issued several policies in support of the Indonesian people and businesses in an effort to mitigate the negative impact of COVID-19.

FISCAL INCENTIVES

Finance Minister Regulation No. 23/PMK.03/2020 on Fiscal Stimulus to Support Taxpayers affected by COVID-19

As sales and production of several industries decline as a result of the outbreak, the Ministry of Finance issued Finance Minister Regulation No. 23/PMK.03/2020 on Fiscal Stimulus to Support Taxpayers affected by COVID-19. The stipulations within will be in effect for 6 (six) months, having started on April 1, 2020.

These fiscal stimuli are related to Article 21 of the Income Tax (PPh) regulation, as well as Article 22 on Income Tax on Import, Article 25 on Income Tax, and Value Added Tax (PPN). The policy shall give businesses cash flow space. Meanwhile, the additional income that the workers will receive shall maintain their purchasing power.

<table>
<thead>
<tr>
<th>Art. 21 Income Tax (PPh) Leniency</th>
<th>Policy</th>
<th>Art. 22 Import Income Tax (PPh Import) Leniency</th>
</tr>
</thead>
<tbody>
<tr>
<td>Government borne (DTP)</td>
<td>Description</td>
<td>Exemption of Article 22 Import Income Tax</td>
</tr>
<tr>
<td>Income Tax scheme of 100% of workers’ income of up to Rp 200 Million</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Manufacturing sector (including Import Ease of Export Purpose / KITE and Ease of Import of Export Purposes - Small and Medium Industries / IKM KITE)</td>
<td>Applicable sectors</td>
<td>19 specific sectors, KITE Taxpayers, and IKM KITE Taxpayers.</td>
</tr>
<tr>
<td>Rp 8.6 Trillion</td>
<td>Allocated Budget</td>
<td>Rp 8.15 Trillion</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Art. 25 Income Tax (PPh) Leniency</th>
<th>Policy</th>
<th>Restitution of Value Added Tax (PPN) Leniency</th>
</tr>
</thead>
<tbody>
<tr>
<td>30% Tax Reduction of Art. 25 PPh</td>
<td>Description</td>
<td>Acceleration of restitution of Value Added Tax (preliminary return) up to Rp 5 Billion for exporters. No limit value of Special PPN Restitution for exporters.</td>
</tr>
<tr>
<td>19 specific sectors, KITE Taxpayers, and KITE-IKM Taxpayers</td>
<td>Applicable sectors</td>
<td>19 specific sectors, KITE Taxpayers, and KITE-IKM Taxpayers</td>
</tr>
<tr>
<td>Rp 4.2 Trillion</td>
<td>Allocated Budget</td>
<td>Rp 1.97 Trillion</td>
</tr>
</tbody>
</table>

The 19 industries referred in the provisions on relaxation of Art. 22 PPh Import, Art. 25 PPh, and PPN stated by the Indonesia’s Minister of Industry are as follows:

1. Chemical and goods from chemical industry
2. Electrical equipment industry
3. Manufacture of motor vehicles, trailers and semi-trailers
4. Pharmaceutical industry, chemical drug products and traditional medicines
5. Basic metal industry
6. Other transportation equipment industry
7. Paper and goods from paper industry
8. Food industry
9. Computers, electronics and optical goods industry
10. Machinery and equipment industry
11. Textile industry
12. Rubber, goods from rubber and plastic industry
13. Furniture industry
14. Printing and reproduction of recording media industry
15. Non-metal mining industry
16. Non-machinery metal industry and its equipment
17. Finished materials industry
18. Beverage industry
19. Leather, leather goods and footwear industry

The official press release, as well a copy of the official document here*

Minister of Finance Regulation Number 28 of 2020 concerning the Provision of tax Facilities on Goods and Services Needed in Order to Handle Corona Virus Disease Pandemic 2019

To protect the entire population of Indonesia from the threat of a COVID-19 pandemic, government support is needed in handling the virus pandemic.

One of the government’s support in ensuring the availability of items such as tools for self-protection and drugs needed to cope with the COVID-19 virus outbreak is through the provision of Value Added Tax (VAT) facilities which are not collected or borne by the government.

These facilities are provided to government agencies or agencies, referral hospitals, and other parties appointed to provide assistance in handling COVID-19 outbreak in regards to the import, acquisition, and utilization of goods and services needed to handle the COVID-19 outbreak. Such goods include medicines, vaccines, laboratory equipment, detection equipment, self-protection equipment, equipment for patient care, and other supporting equipment. Meanwhile, the services needed to provide COVID-19 outbreak handling are construction services, consulting services, management, engineering, rental services, and other support services.

In addition to PPN incentives, the government also provides exemption from collection or withholding of Income Tax (PPh) to help accelerate the handling of the novel coronavirus or COVID-19 outbreak in Indonesia. These incentives relate to Article 22 Income Tax, Article 21 Income Tax and Article 23.

There is an exemption of Article 22 Income Tax on the Import and purchase of goods in the handling of the coronavirus or COVID-19 outbreak carried out by government agencies or agencies, referral hospitals, and other designated parties. In addition, there is also exemption from Article 22 of Income Tax on the sale of goods for the handling of the COVID-19 outbreak carried out by the seller that conduct the transactions with government agencies or agencies, referral hospitals, and other designated parties.
There is also exemption from Article 21 Income Tax on income received by domestic personal taxpayers in return for services, at government agencies or agencies, referral hospitals, or other parties, needed to treat COVID-19 virus outbreaks.

In addition, there is exemption from Article 23 Income Tax on income received by domestic corporate taxpayers and Permanent Establishments (BUT) in return for technical, management or other services provided for government agencies or agencies, referral hospitals, or other parties appointed to handle the coronavirus or COVID-19 outbreak.

Application for a letter of exemptions to be exempt from Article 22 Income Tax and Article 23 Income Tax is submitted to the head of the Tax Office where the taxpayer is registered (KPP) through the official email of the tax service office in question. For a KPP email list, please find it on the DGT page, https://www.pajak.go.id/unitkerja. Please be informed that exemptions for Article 21 Income Tax and Article 22 Import Income Tax do not require a free certificate.

Official document here

Finance Minister Regulation No 44 Year 2020 on Fiscal Stimulus to Support Taxpayers Affected by COVID-19

By paying attention to the development of the current economic conditions, especially with the increasingly widespread impact of the COVID-19 pandemic to other sectors, including small and medium-sized businesses, it is necessary to extend tax incentives for each taxpayer both for income tax and value added tax; The Ministry of Finance (MoF) has increased the number of specific industry fields (KLU) in the 18 sectors that can receive tax facilities included in Finance Ministry Regulation 23 of 2020 in order to reduce the economic burden of taxpayers due to the Covid-19 outbreak. The government also provides new facilities aimed at micro, small and medium enterprises (MSMEs).

Income Tax Incentives Article 21
Employees working in companies engaged in one of 1,062 specific industrial fields (KLU), in companies that obtain import facilities for export purposes (KITE), and in companies in bonded zones can obtain income tax facilities borne by the government.
Thus, employees who have an annualized fixed and regular gross annual income which do not exceed Rp 200 million in these sectors will get additional income in the form of taxes that are not deducted by the employer but are given in cash to employees.

Income Tax Article 22 Import
Taxpayers operating in one of 431 specific industrial fields (KLU), in KITE companies, and in companies in bonded zones receive exemption from importation of Article 22 income tax.

Income Tax Incentive Installments Article 25
Taxpayers engaged in one of 846 specific industrial fields (KLU), KITE companies, and companies in bonded zones receive a reduction of article 25 income tax installments by 30%. This facility was previously only given to 102 industry sectors and KITE companies.

VAT incentives
Taxpayers operating in one of the 431 specific industries fields (KLU), KITE companies, and companies in bonded zones, are designated as low risk taxable employers (PKP) so that they receive an accelerated restitution facility up to a maximum overpaid amount of Rp 5 billion, without the requirement to carry out certain activities such as export goods or services subject to tax, submissions to VAT collectors, or submissions that are not subject to VAT collection. This facility was previously only given to 102 industry sectors and KITE companies.
Tax Incentives for MSMEs

MSMEs’ 0.5% final income tax facility (PP 23/2018) is borne by the government (DTP) provided that MSME have first obtained a PP 23 Letter of Statement and has reported the realization of the Final PPh DTP for each tax period.

All of the above facilities come into force from the time the notice is given or the certificate is issued until the September 2020 tax period and can be obtained by submitting a notice or obtaining a statement which can be made online at www.pajak.go.id.

Circular Letter Director General of Tax Office No. SE-29/PI/2020 concerning Instruction for Implementation of Regulation of Minister of Finance No. 44 of 2020

Considering that the tax incentives as stipulated in Minister of Finance Regulation No 44 of 2020 were provided for the April 2020 to September 2020 tax period and the issuance of this Minister of Finance Regulation was nearing the end of April 2020 and considering the deployment process of the online application system related to the expansion of the facility receiving sector, the DGT adopted a policy that the submission of notifications utilizing Income Tax Article 21 incentives for the April 2020 Tax Period can be done no later than May 20, 2020. The notification of utilizing Income Tax Article 25 incentives for the April 2020 Tax Period can be done no later than May 15, 2020.

Press Release here*

EXCISE

Circular of Director General of Customs and Excise Number SE-04/BC/2020 on Exemption of Ethyl Alcohol Excise in order to Follow-Up the Prevention of Coronavirus Disease 2019 (COVID-19)

While washing our hands with soap and water is the gold standard of preventing COVID-19, in the event that soap and water are not available, a hand sanitizer with at least an alcohol content of 60% is what the WHO recommends. On the other hand, this has caused shortages in the availability of hand sanitizer worldwide. To ensure there are enough hand sanitizers, surface sanitizers and antiseptics, on March 17, 2020, the Indonesian Government, through the Directorate General of Customs and Excise, issued Circular of Director General of Customs and Excise Number SE-04/BC/2020 on Exemption of Ethyl Alcohol Excise in order to Follow-Up the Prevention of Coronavirus Disease 2019 (COVID-19).

Manufacturer and ethyl alcohol storage companies for social purposes can be given an excise exemption in the context of the precaution and prevention of COVID-19. They can submit an excise exemption request for social purposes in the context of precaution and prevention of COVID-19 based on orders from government agencies and non-governmental organizations related to COVID-19 countermeasures.

Requirements and procedure:

· Application letter and Statement Letter by the Government Officials of government agencies stating that ethyl alcohol is only used for the precaution and prevention of COVID-19 in the event that orders are made by the government agencies; and

· Application Letter and Recommendation Letter from government agencies assigned to conduct disaster management in the case that orders are made by non-governmental organizations.

The Application letter is submitted to the Minister of Finance c.q. Director General of Customs and Excise through the Head of Customs and Excise Office using PMCK-3 documents.

The official document here*
Finance Ministry regulation Number 34 of 2020 concerning Granting Customs and/or Excise Facilities as well as Taxation on Imports of Goods for the Purpose of Mitigating the Corona Virus Disease 2019 Pandemic

Bearing in mind that COVID-19 is a threat that causes loss of life and huge material losses with negative implications for economic and social welfare, the Ministry of Finance has issued PMK number 34 of 2020 to increase convenience by providing with customs and taxation facilities for parties looking to obtain imported goods for the purpose of handling the Covid-19 pandemic. These include imported goods by the private sector that are used by themselves or imported of goods by individuals (consignments) or passenger goods.

For the importation of goods for the purpose of handling the COVID-19 pandemic, the following facilities are provided:

1. Exemption from import duty and / or excise,
2. VAT and VAT on luxury goods are not collected
3. Exemption from collecting income tax 22

The above fiscal facilities are provided for goods originating from abroad and / or other places in the customs area, such as from:

1. bonded zone or bonded warehouse
2. a free zone or special economic zone
3. companies receiving import facilities for export purposes (KITE)

There are 73 types in six categories of goods that fall under this regulation. These goods are, in broad terms, include the following:

First, hand sanitizers and products that contain disinfectants, including bath soap and skin cleansers. Second, rapid test equipment and rapid polymerase chain reaction (PCR) test equipment. Third, media transfer virus which consists of microorganism development culture media and development culture media for swab tests. Then, drugs and vitamins, as well as medical equipment consisting of thermometers, ventilators, syringes to incubators. Finally, imports of personal protective equipment (PPE), from masks to surgical clothing.

The application for this facility can be done electronically via the Indonesia National Single Window (INSW) website or in writing to the Head of the Customs Office where the goods are entering Indonesia.

These exceptions are given for import of shipments and passenger luggage that the value of which does not exceed USD 500 free on board (FOB).

Ease can be obtained with a consignment note (CN) for shipment or customs declaration, for luggage carried by passengers from abroad. However, the new facility is provided after the postal operator or recipient of the goods submits the Taxpayer Identification Number (NPWP) in the CN document.

Meanwhile, if the value of the shipment or luggage value of passengers exceeds FOB USD 500, the exemption facility is provided only after submitting an application to and approved by the Minister of Finance through the Head of the Customs Office. The import document needed is Special Goods Import Notification (PIBK).
If the type of imported goods provided by the facility is subject to the provisions of the import trading system, it is sufficient to attach a letter of recommendation for the import trade exemption from the National Disaster Management Agency (BNPB) when importing or releasing goods. However, if the imported goods do not exceed the amount stipulated in the trade system, there is no need to attach a recommendation letter on the exception of the import trade system from BNPB.

This facility is valid since April 17, 2020 until the expiration date of the handling of the Covid-19 pandemic set by BNPB.

Official document here*

Minister of Finance regulation number 30 of 2020 concerning the Postponement of Excise Payment for Manufacturers or Importers of Excisable Goods Using Excise Tapes

To safeguard the productivity and cash flow of manufacturers of excisable goods manufacturers amidst the COVID-19 national disaster that affects economic stability and industrial productivity, it is necessary to provide a relaxation in the form of postponement of excise payments for industrial entrepreneurs who carry out repayment by using excise ribbon.

The fiscal authority has already provided for postponement of the attached excise tax payment Through the Minister of Finance Regulation No.30 / PMK.04 / 2020. Delays are given to industrial entrepreneurs, initially, the delay was only granted for 2 months from the date of the excise ribbon order document.

Now, through the regulation 30 of 2020, which will took effect on April 8, 2020, the government will postpone up to 90 days of the ordering of the excise ribbons for delays submitted within the April 9, 2020 and July 9, 2020 period.

However, the regulation excludes taxable types of goods containing beverage A containing ethyl alcohol (MMEA), such as beer. Therefore, beer is a taxable object that does not use the excise tape attached.

Official document here*

TAX HOLIDAY

On February 17, 2020, Minister of Finance Mrs. Sri Mulyani Indrawati announced 18 (eighteen) sectors of whom the investors may now submit a tax holiday application directly to the Indonesia Investment Coordinating Board (BKPM).

These 18 (eighteen) sectors, referred as pioneering industries, are:

1. Upstream base metal industry, oil & gas oil refinery,
2. Petrochemical industry based on petroleum,
3. Natural gas or coal,
4. Inorganic and organic basic chemical industry,
5. Pharmaceutical raw materials industry,
6. Manufacturing industry irradiation,
7. Electromedical or electrotherapy equipment,
8. Manufacturing industry of semi-conductor wafer,
9. Backlight for Liquid Crystal Display (LCD),
10. Electrical driver or display for main components of electronic or telematics equipment,
11. Manufacturing industry for machinery and main machinery component,
12. Manufacturing industry of robotic component integrated with the engine manufacturing industry,
13. Manufacturing industry of power plant main components,
14. Manufacturing of main components vehicle and vehicle,
15. Manufacturing industry of ship main components,
16. Rail main components,
17. Aircraft main component and supporting activities of aerospace industry,
18. Pulp and paper integrated industry,

For more information on the tax holiday, click here

IMPORTS
Just as it is in many other countries, Indonesia is grappling with a shortage of medical supplies and equipment as hospitals around the world prepare for a surge in COVID-19 cases.

Regulation of the Minister of Trade Number 28 of 2020 on the Requirements on Importation of Certain products.
To ensure that there are enough beds, ventilators, testing kits and other supplies, the Ministry of Trade has relaxed the importation of medical devices and personal protection equipment via Trade Minister Regulation No. 28/2020, which amends Trade Minister Regulation No. 87 M-DAG/PER/10/2015 on the requirements on importation of certain products.

The relaxation of imports provided is an exception to the provisions of the Surveyor Report (LS) in the country of origin or the port of loading, and restrictions on the port of entry, effectively allowing the importation of these products to bypass the prevailing licensing procedures. This relaxation will be allowed until June 30, 2020. The shipment of certain products will only require a Bill of Loading (B/L).

The types of goods that are excluded from the LS provisions are:
1. Room air freshener preparations containing disinfectants or not;
2. Paper and tissue, impregnated or coated with deodorizers or cosmetics;
3. Antiseptic products containing soap or not;
4. Stocking for varicose sufferers, from synthetic fibers;
5. Medical protective clothing;
6. Clothing used for protection from chemicals or radiation);
7. Surgical clothing;
8. Examination gowns made from man-made fibers;
9. Surgical masks;
10. Other masks made of nonwoven material, other than surgical masks;
11. Infrared thermometer; and
12. Sanitary towels, sanitary tampons, baby diapers and similar articles of material other than textile, paper or pulp for disposables.

This regulation as a follow up to the issuance of Presidential Decree No. 9 of 2020 which stipulates that the import of goods used for handling COVID-19 get special treatment in import regulations.
For official document here**
Joint Standard Operational Procedure that are outlined in BNPB Decree Number 01/ BNPB/2020
and DJBC Decree Number 113/BC/2020.

With increasing number of cases, the more medical equipment and supplies are needed. In order to accelerate importation of goods needed in response to the COVID-19 pandemic, the Directorate General of Customs and Excise (DJBC) of the Ministry of Finance, together with the National Disaster Management Agency (BNPB), have set a Joint Standard Operational Procedure that are outlined in BNPB Decree Number 01/ BNPB/2020 and DJBC Decree Number 113/BC/2020. Both regulations came into force on March 20, 2020, and will last until the end of certain emergency situations as determined by the government.

The goods related to COVID-19 countermeasures are all items recommended by the BNPB. These goods are eligible to import facilities such as exemption from import customs and excise, Value Added Tax (PPN) and/or Sales Tax on Luxury Goods (PPnBM), 22 Import Income Tax (PPh 22), and also import procedure (Tata Niaga Impor). These goods can be imported by State Government, Local Government (Pemda), Public Service Agency (BLU), foundations or non-profit institutions and individuals/private parties with different schemes depending who the importer is.

There are six steps to be follow, started with the importer/applicant submitting their application to the National Disaster Management Agency (BNPB).

SCHEME A for State Government/ Local Government (Pemda)/ Public Service Agency (BLU) as importer/applicant

After State Government, Local Government (Pemda), or Public Service Agency (BLU) submits an application for an exception recommendation to the National Disaster Management Agency (BNPB) for imported goods subject to the provisions of the import trading system, The BNPB in coordination with related Ministry/Institution issues a letter of recommendation for the exclusion from import trading systems BNPB in the case of goods being subjected to the provisions of the import trading system.

Third, the importer/applicant then forwarded the application for an exception to the Regional Office of the DJBC of the Entry point in accordance with the Regulation of the Minister of Finance (PMK) 171 / PMK.04 / 2019.

Fourth, the head of the region of to the Regional Office of the DJBC of the Entry point issues letter of Exemption (SMKK). This step is carried out prior to arrival of goods.

After the arrival of goods, the applicant must submit the Goods Import Notification document (PIB) by filling in the number and date of the SKMK, the number and the date of the recommendation of the BNPB in the case of being subjected to the provisions of the import trading system.

Sixth, goods are removed from the port of entry.

SCHEME B for foundations or non-profit institutions as importer/applicant

After foundations or non-profit institutions submits an application for an exception recommendation to the National Disaster Management Agency (BNPB) for imported goods subject to the provisions of the import trading system, The BNPB in coordination with related Ministry/Institution issues a letter of recommendation for the exemption from import duty and/or excise as well as the exclusion from import trading systems BNPB in the case of goods being subjected to the provisions of the import trading system.
Third, the foundation or non-profit organization submits an application to the Director of Customs Facilities in accordance with PMK 70 / PMK.04 / 2012.

Fourth, the Director of Customs Facilities issues letter of Exemption (SMKK). This step is carried out prior to arrival of goods.

Step five and six are the same as scheme A.

**SCHEME C** for individuals/private parties for non-commercial purposes as importer/applicant

Applicant(s) must submit a grant letter to BNPB or to a foundation or non-profit organization in order to be eligible to use this scheme.

If the goods are donated to the BNPB, BNPB then will submit an application in accordance with Scheme A. If the goods are donated to a foundation or non-profit organization, the foundation or non-profit organization will submit an application in accordance with Scheme B.

These steps are followed by an issuance of the SMKK prior to the arrival of goods.

After arrival of goods, the applicant submit must submit the Goods Import Notification document (PIB) by filling in the number and date of the SKMK, the number and the date of the recommendation of the BNPB in the case of being subjected to the provisions of the import trading system with the BNPB or the non-profit organization/foundation as the owner of the goods. Then, the goods can be removed from the port of entry.

Last, submit reports on the import realization and distribution of goods to the public to BNPB.

**SCHEME D** for individuals/private parties for commercial purposes as importer/applicant

After Individual/Private party submits an application for an exception recommendation to the National Disaster Management Agency (BNPB) for imported goods subject to the provisions of the import trading system, The BNPB in coordination with related Ministry/Institution issues a letter of recommendation for the exclusion from import trading systems BNPB in the case of goods being subjected to the provisions of the import trading system. As it is for commercial purposes, they will have to pay import customs, excise, and/or import tax (PDRI).

For official document [here](#).

Trade Minister Regulation No. 37 of 2020 on Second Amendment of Trade Minister Regulation No 118 of 2018 concerning provisions on Import of Used and Refurbished Capital Goods

In order to overcome the COVID-19 pandemic, there is an increasing need for medical devices, especially in the form of ventilators that is vital to treat victims. To bridge the needs, the government has issued a policy to facilitate the importation of used and refurbished (not-new) medical devices, especially ventilators. When this Ministerial Regulation comes into force, the capital goods in a non-new condition as referred below which are shipped from the port of loading at the latest June 30, 2020, evidenced by the Bill of Loading or Airway Bill, are excluded from:

A. Import approval; and
B. Surveyor report

As regulated in the Trade Ministry Regulation Number 118 of 2018 concerning Provisions on the Import of Capital Goods by the State, which was amended by Trade Ministry Regulation Number 76 of 2019.
Capital Goods in a not-new condition that can be imported in order to mitigate COVID-19 are:

<table>
<thead>
<tr>
<th>No</th>
<th>Tariff post/HS Code</th>
<th>Explanation</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>90.19</td>
<td>Mechano-therapy equipment; massage apparatus; psychological intelligence testing apparatus; ozone therapy apparatus, oxygen therapy, aerosol therapy, artificial respiration or other therapeutic breathing.</td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>9019.20.00</td>
<td>Ozone therapy apparatus, oxygen therapy, aerosol therapy, artificial breathing or other therapeutic respiratory apparatus</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Ex. 9020.00.00</td>
<td>Breath equipment and other gas masks, does not include protective masks that do not have mechanical parts or filters that can be replaced</td>
<td>For medical purposes</td>
</tr>
</tbody>
</table>

In order to import the above goods, a recommendation from the head of Task Force for the Acceleration of Corona Virus Disease (COVID-19) Mitigation, or the appointed official, must be obtained. This provision is valid until June 30, 2020. Official document here.*

Minister of Finance Regulation No. 31/PMK.04/2020 on Additional Incentives for Bonded Zone (KB) Companies and/or Companies with Import Facility for Export Purpose (KITE) to Handle the Corona Virus (Covid-19) Disaster

The COVID-19 pandemic has resulted in increased domestic demand for goods to combat the spread of the corona virus, such as personal protective equipment (PPE), that were mostly produced by KB and KITE companies. On the other hand, KB and KITE has been experiencing obstacles in the production process due to difficulties in getting raw materials, which has in turn resulted in the decline of these companies’ export performance, which in turn also resulted in a reduction in labor. Aiming to alleviate these problems and to encourage labor absorption and exports, the government has issued Minister of Finance Regulation No. 31/PMK.04/2020.

This regulation lays out additional incentives for KB and KITE companies in the form of, but not limited to, allowances to expand production, ease in delivery of the produced goods, and tax incentives for the delivery of local raw materials.

Prior to this regulation, KB and KITE companies had already obtained government-borne PPh 21 (DTP) and Article 22 Import-Income Tax facilities, reduction in Income Tax instalments by 30 percent, and accelerated VAT refunds.

In these particular policy, the import of domestic goods to be processed into export commodities are no longer subject to VAT and Income Tax for Luxury goods (PPnBM).

Furthermore, KITE companies are also allowed to submit production results to be processed or combined with products from bonded zones and Import Facility for Export Purposes for SMEs (KITE IKM).

Exemption KITE (KITE Pembebasan) and KITE IKM are also allowed to sell their products domestically at most for 50 percent of the export value last year. Before the relaxation, the production that may be sold domestically was capped at 25 percent.
Lastly, exemption KITE and KITE IKM are allowed to submit production results for handling Covid-19 to parties who get exemption from import duty and tax in the framework of import (PDRI) without reducing local sales.

This provision is prevailed from the enactment on April 13, 2020. There will be technical instructions for simplifying the procedures related to the handling of Covid-19 by DJBC

Minister of Health Regulation number 7 of 2020 concerning Importation of Health Equipment through Special Path Mechanism (Special Access Scheme)
The provisions on the importation of medical devices through a special lane mechanism (Special Access Scheme - SAS) need to be adjusted to the needs of epidemics and / or public health emergencies.

Medical Devices that enter through SAS, as determined by the Minister, for epidemics and / or public health emergencies can be circulated without having a permit and is given import trade system exemptions in accordance with statutory provisions. This regulation is prevailed since 27 March 2020.

Presidential Regulation (Perpres) number 58 year 2020 concerning Arrangement and Simplification of Import Licensing
The regulation, which was promulgated on April 14, 2020, has made it easier to comply with import licensing requirements. The simplification applies to a number of items. These include staple goods and staple foods, government food reserves, raw materials or supporting materials, goods and raw materials for disaster prevention and handling, and / or other needs as determined by the government.

The granting of import permit requirements can be granted based on a coordination meeting chaired by the coordinating minister for the economy.

The coordination meeting must also be attended by at least the minister or head in charge of imported goods. The decision to import permit shall be stated in minutes or minutes of meeting. The Minister of Trade grants an import permit based on the granting of import conditions through a coordination meeting.

Technical requirements can also be deferred or excluded for import. This can be done in certain conditions by paying attention to aspects of health, security, safety, and the environment. The three conditions categorized in the Perpres as certain conditions are urgent needs or prices that exceed reasonable levels, the lack or limited supply in the country or internationally, as well as trade traffic constraints and / or disruption of distribution.

The type and quantity of imported products can also be determined through the coordination meeting. The regulation states that imported products which are facilitated can be given taxation, customs, and / or excise facilities in accordance with the prevailing laws and regulations. The state-owned enterprises (BUMN) can be assigned to carry out import of products/goods to fulfill the needs.

EXPORTS
As one of the efforts to protect communities and to prevent the spread of COVID-19 in Indonesia, the government needs to maintain the availability of antiseptics, raw materials for masks, personal protective equipment, and important masks for health services and self-protection for the public.
Regulation of Minister of Trade Number 31 and 34 of 2020 on Temporary Export Ban for Antiseptic, Mask Raw Material, Personal Protective Equipment, and Masks

Therefore, The Ministry of Trade issued Regulation of Minister of Trade Number 34 of 2020 and Regulation of Minister of Trade Number 31 of 2020 on Amendment to Regulation of Minister of Trade Number 23 of 2020 on Temporary Export Ban for Antiseptic, Mask Raw Material, Personal Protective Equipment, and Masks (Regulation 31/2020), which came into force on March 31, 2020.

With the issuance of Regulation 31/2020, Exporters are temporarily banned from exporting:

<table>
<thead>
<tr>
<th>Tariff Post</th>
<th>Description of Goods</th>
</tr>
</thead>
<tbody>
<tr>
<td>A 22.07</td>
<td>Non-denatured ethyl alcohol with an alcohol content of 80% or more by volume; ethyl alcohol and other alcohols, denatured at any level.</td>
</tr>
<tr>
<td>2207.10.00</td>
<td>Non-denatured ethyl alcohol with an alcohol content of 80% or more by volume</td>
</tr>
<tr>
<td>2207.20</td>
<td>Ethyl alcohol and other alcohols, denatured at any level</td>
</tr>
<tr>
<td>2207.20.11</td>
<td>Ethyl alcohol with an alcohol content exceeds 99% by volume</td>
</tr>
<tr>
<td>2207.20.19</td>
<td>Etc.</td>
</tr>
<tr>
<td>2207.20.90</td>
<td>Etc.</td>
</tr>
<tr>
<td>B 30.04</td>
<td>Medicine (not including goods of tariff post 30.02, 30.05 or 30.06) consist of mixed products or not for therapeutic or prophylactic purposes, prepared in certain doses (including in the form of a transdermal distribution system) or in the form or package for retail sale.</td>
</tr>
<tr>
<td>3004.90</td>
<td>Etc.</td>
</tr>
<tr>
<td>Ex.3004.90.30</td>
<td>Antiseptic hand rub, hand sanitizer and the like which are alcohol based</td>
</tr>
<tr>
<td>C 38.08</td>
<td>Insecticides, rodenticides, fungicides, herbicides, anti-sprouting products and plant growth regulators, disinfectants and similar products, prepared in the form or package for retail sale or as preparations or goods (for example ribbons, wicks and candles processed with sulfur, and fly paper ).</td>
</tr>
<tr>
<td>3808.94</td>
<td>Disinfectant</td>
</tr>
<tr>
<td>Ex.3808.94.10</td>
<td>Hand rub, hand sanitizer and the like contain a mixture of coal tar and alkali acids</td>
</tr>
<tr>
<td>Ex.3808.94.20</td>
<td>Hand rub, hand sanitizer and the like in aerosol packaging</td>
</tr>
<tr>
<td>Ex.3808.94.90</td>
<td>Hand rub, hand sanitizer and the like other than those containing a mixture of coal tar and alkali acids, and not in aerosol packaging</td>
</tr>
<tr>
<td>D 56.03</td>
<td>Nonwovens, whether or not impregnated, coated, covered, laminated or not.</td>
</tr>
<tr>
<td>Ex.56.03.11.00</td>
<td>Non-woven meltblown nonwoven fabric is made from artificial filaments weighing not more than 25 g / m2</td>
</tr>
<tr>
<td>Ex.56.03.91.00</td>
<td>Non-woven meltblown nonwoven fabric made from materials other than artificial filaments weighing not more than 25 g / m2</td>
</tr>
<tr>
<td>E 62.10</td>
<td>Garments, made from fabrics of tariff post 56.02, 56.03, 59.03, 59.06, or 59.07.</td>
</tr>
<tr>
<td>6210.10</td>
<td>Made from fabrics of tariff post 56.02, 56.03</td>
</tr>
<tr>
<td>Ex.6210.10.19</td>
<td>Medical protective clothing</td>
</tr>
<tr>
<td>F 62.11</td>
<td>Track suits, ski suits and swimwear; other garments</td>
</tr>
<tr>
<td>6211.43</td>
<td>From man-made fibers;</td>
</tr>
<tr>
<td>6211.43.10</td>
<td>Surgical Wear.</td>
</tr>
</tbody>
</table>
This temporary export ban is valid until June 30, 2020. Furthermore, Exporters who violate the provisions will be subject to sanctions in accordance with the prevailing regulations.

In necessary conditions according to Regulation 34/2020, the Minister of Trade can determine an exemption to the provisions in this regulation, which is carried out after coordination with the relevant ministries or non-ministerial government institutions. To obtain an exemption, the Exporter must submit an application electronically to the Director General of Foreign Trade through http://inatrade.kemendag.go.id.

For official document here and here*

Ministry of Trade Regulation number 39 year 2020 on Provisions and Procedures of Issuance Certificate of Origin for Goods of Indonesian Origin

To ensure the smooth flow of goods and improve the effectiveness of the issuance of Certificate of Origin (SKA) for Goods from Indonesia in the context of exports in accordance with international trade agreements that are in force, it is necessary to make adjustments to the procedure for issuing Certificates of Origin.

The issuance of SKA is by printing SKA on the original SKA Form, signed by the SKA Issuing Officer, and given a SKA Issuing Agency (IPSKA) stamp or print a SKA that has been signed with an Official SKA Issuing Officer and an IPSKA stamp electronically on the original SKA Form.

In the case of the provisions of international trade agreements, other international treaties, or a memorandum of understanding that has prevailed stating that the issuance of SKA can be issued using Digital Signature, the issuance of SKA can be done by printing SKA that has been affixed with Digital Signature on the Original SKA form.

In the event that there is a change in the data on the SKA that has been issued, the Exporter may submit an application for issuance of the amended SKA to the issuing IPSKA via e-SKA.

This Ministerial Regulation shall come into force on April 8 when it was promulgated.

Official document here*

INVESTMENTS

Decree of the Head of Indonesia Investment Coordinating Board (BKPM) Number 86 of 2020

On the investment side, in regards to the urgency of having a steady supply of medical equipment due to the pandemic, the Indonesian Investment Coordinating Board (BKPM) and the Ministry of Health have agreed to expedite the licensing for medical equipment distributors. Therefore, the Head of BKPM Mr. Bahlil Lahadalia issued Decree of the Head of BKPM Number 86 of 2020 on Providing of Ease of Business Licensing for Certain Business Fields Related to the Handling of COVID-19 (BKPM Decree No. 86/2020).

Certain business fields related to the COVID-19 outbreak, including the medical device industry and the pharmaceutical industry, are given an ease in business licensing in the form of:

a. reduction and/or facilitation of business licensing requirements;
b. acceleration on the business licensing process; and
c. special assistance services.

BKPM Decree No. 86/2020 shall come into force from April 1, 2020 until the end of the COVID-19's emergency response status as declared by the National Disaster Management Agency.

Some of the product related to this acceleration of licensing are masks, Personal Protection Equipment (PPE) and hand sanitizers. Based on official document obtained by EU Desk*

PUSAT KOPI

Amidst the COVID-19 outbreak, on March 23, 2020, the Head of the Indonesia Investment Coordinating Board (BKPM) Mr. Bahlil Lahadalia launched the Investment Command & Guard Center (Pusat Kopi) where his team can monitor licensing requests through the Online Single Submission (OSS) system.

Pusat Kopi provides real-time information of daily statistics on licensing requests through OSS, Regional Investment Potential (PIR), tracking company’s licensing status end-to-end, and licensing monitoring though OSS that is being processed by other ministries, as well as investment realization, and social media and digital media sentiments.

The Regional Investment Potential (PIR) website can be accessed from the website www.regionalinvestment.bkpm.go.id. The regional potential data can be aligned with investment realization data in Indonesia that also exists in Pusat Kopi on a regular basis. The data of the value of this investment realization can be monitored both nationally and by province / district / city. The data can also be processed in terms of investment data by sector, country of origin, and/or business location. Official press release here*

FINANCIAL SECTOR

Regulation of OJK Number 11/POJK.03/2020 concerning The National Economic Stimulus as a Countercyclical Policy Impact of The Spread of Coronavirus Disease 2019 (POJK Stimulus Impact COVID-19)

The Indonesian Financial Services Authority (OJK) assesses that the spread of COVID-19 has an impact on the performance and capacity of debtors and could increase credit risk, which in turn has the potential to disrupt banking performance and the stability of the financial system. Therefore, to encourage the optimization of the banking intermediary function, maintain financial system stability, and support economic growth, an economic stimulus policy is needed as a countercyclical impact of the spread of COVID-19. One of them is through an asset quality determination policy and a credit restructuring policy.

This POJK applies to Conventional Bank (BUK), Syariah Bank (BUS), Syariah Business Venture (UUS), Rural Credit Bank (BPR) and Syariah Rural Credit Bank (BPRS). Banks can implement policies that support economic growth stimulus for debtors affected by the spread of COVID-19, including MSME debtors, while still observing the precautionary principle.

Debtors receiving special treatment in this POJK are debtors (including MSME debtors) who have difficulty fulfilling obligations to the Bank because debtors or debtor businesses are affected by the spread of COVID-19 either directly or indirectly in the economic sector that include tourism,
transportation, hospitality, processing, agriculture and mining. Examples of debtor conditions affected include:

a. Debtors affected by the closure of transportation and tourism routes to and from China or other countries that have been affected by COVID-19 and the travel warnings of several countries.
b. Debtors affected by the significant decline in the volume of import and export due to supply chain and trade links with China or other countries that have been affected by COVID-19.
c. Debtors affected by infrastructure development projects that are hampered due to the cessation of the supply of raw materials, labor, and machinery from China or other countries that have been affected by COVID-19.

The intended stimulus policy consists of:

A. Assessment of credit quality / financing / provision of other funds only based on the accuracy of payment of principal and / or interest for credit / financing / other fund provision with a ceiling of up to Rp 10 billion; and
B. Improving the quality of credit / financing becomes smooth after being restructured during the validity period of POJK. The terms of this restructuring can be applied by the Bank regardless of the credit / financing ceiling limit or type of debtor.

The method of credit / financing restructuring is carried out as stipulated in OJK regulations regarding asset quality assessment which include, among others:

A. decrease in interest rates;
B. extension of the term;
C. reduction of principal arrears;
D. reduction of interest arrears;
E. addition of credit / financing facilities; and / or
F. conversion of credit / financing to Temporary Equity Participation.

Banks can provide credit / financing / provision of other new funds to debtors who have received special treatment in accordance with this POJK by determining the quality of credit / financing / provision of other previous funds.

POJK Stimulus Impact COVID-19 has come into force since its enactment and will last until March 31, 2021.

Official document here

Circular of OJK Number 3/SEOJK.04/2020 concerning Other Conditions as Significantly Fluctuating Market Conditions in the Implementation of Shares Buyback Issued by Public Companies

Since the beginning of 2020 until the enactment of this Financial Services Authority Circular, the Indonesia Stock Exchange has experienced significant pressure as indicated by the decline of the Composite Stock Price Index by 18.46%. At the same time, national, regional and global economic conditions are under pressure and slowing down partly due to the COVID-19 outbreak.

Therefore, on March 9, 2020, the Indonesia Financial Services authority (OJK) issued OJK Circular Number 3/SEOJK.04/2020 concerning Other Conditions as Significantly Fluctuating Market Conditions in the Implementation of Shares Buyback Issued by Public Companies.

The Circular states that all public companies are allowed to buy back shares in an effort to provide economic stimulus and reduce the impact of the significantly fluctuating market by providing relaxation on Share Buybacks procedures, as follows:
This circular stipulates that share buybacks can be performed by public companies without first holding a General Meeting Shareholders (GMS). This will significantly reduce the time required to conduct a buyback.

Further, this circular allows public companies to buy back shares that represent up to 20 percent of their paid-up capital, provided that there must be at least 7.5% of free floating shares.

Official document here

MANPOWER
Joint minister decree of the Minister of Religious Affairs, Minister of Manpower, and Minister of Administrative and Bureaucratic Reform No. 391, No. 02, and No. 02 of 2020 on National Holidays and Collective Leave Days

A part of the tradition in Indonesia during the Islamic holiday of Idul Fitri is the exodus (also known as “pulang kampung” or going home), wherein Indonesian would travel in droves to return to their hometown. In the effort to prevent the further spread of COVID-19 pandemic, the Government is appealing to its citizen not to partake in the tradition, which falls in the end of May. Thus, the Indonesian Government has officially shifted the collective leave days from May to 24, 28, 29, 30 and 31 December 2020 in the hopes that people will postpone their exodus to the end of the year. This regulation is an amendment of Joint Minister Decree No. 728, No. 213, and No. 01 of 2019

Official Press Release here

Government Regulations in Lieu of Law number 1 of 2020 on State Financial and the Stability of the Financial System Policies in Relation to the Handling of the Corona Virus Disease 2019 (COVID-19) Pandemic and/or Threats that are Potentially Harmful to the National Economy and/or the Stability of the Financial System

"Because the situation we are facing is a forceful situation, I just signed a Government Regulations in Lieu of Law (PERPPU) on State Financial Policy and Financial System Stability," President Joko “Jokowi” Widodo said at the Bogor Palace, Tuesday (3/31/2020) as quoted by setkab.go.id as he announced the first PERPPU.

"This PERPPU was issued after discussions with the Governor of Bank Indonesia, the head of the Financial Services Authority (OJK), and the chief executive of the Indonesian Deposit Insurance Corporation (LPS),“ he added. This Government Regulations in Lieu of Law provides a foundation for the government, banking authorities and financial authorities to take extraordinary steps in ensuring public health, saving the national economy, and securing the stability of the financial system.

As the PERPPU proposes a lifting of the state budget deficit cap of 3%, it will allow President Jokowi to allocate Rp 405.1 trillion (roughly US$24.6 billion) from the state budget for various programs designed to safeguard the nation’s economy during, and after, the COVID-19 pandemic.

Out the Rp 450.1 trillion, Rp 75 trillion would be used as incentives for doctors, nurses and other medical professional, as well as to procure medical devices. Another Rp 110 trillion would be used expand the government’s social safety net programs such as the Family Hope Program and the Staple Food Program. As
much as Rp 70.1 trillion would be spent to support industries via tax reliefs and loan deferrals. Lastly, the remaining Rp 150 trillion has been earmarked to support economic recovery programs.

As part of the Government support for industries, Rp 64 trillion would be spent for Income tax and import tax exemptions to be borne by the government for specific sectors. The remaining Rp 6.1 trillion would be used as stimulus for micro business loans.

The budget for the Economic Recovery Program would be used, although not specified, for credit restructuring and financing for Micro, Small and Medium Enterprises (MSMEs), as well as other economic recovery programs.

**TAX INCENTIVES under Article 5 PERPPU 1 of 2020**

As part its Tax Incentives, the PERPPU stipulates that the domestic corporate and permanent establishment (BUT) taxpayer income tax rates are being adjusted from the current rate of 25% to:

1. 22% for the tax year 2020 and 2021
2. 20% starting from tax year 2022.

Domestic taxpayers in the form of public limited companies with the total number of shares being traded on the stock exchange in Indonesia of at least 40% (forty percent); and who meet certain requirements, may receive a discount of 3% (three percent) from the tariff referred to above.

**ECOMMERCE TAX under Article 6 and 7 PERPPU 1 of 2020**

Both domestic and foreign business practitioners that conduct e-commerce activities within Indonesian Customs territory through The Electronic System (PMSE) will be charged:

- value added tax (VAT) on taxable intangible goods and/or services sold through their e-commerce platforms.
- income tax or electronic transaction tax on their e-commerce activities.

Foreign online business practitioners with a significant economic presence in Indonesia will be declared as permanent establishments, which will be determined by their company gross circulated product, sales and/or active users in Indonesia. Therefore, they will be subject to Indonesian taxation regulations.

In the event that the Indonesian government is not able to determine certain foreign online business practitioners as permanent establishments due to tax treaties with certain countries, then they will be charged an electronic transaction tax on their company sales in Indonesia.

Further provisions regarding the rate, object and calculation of the income tax and the electronic transactions tax will be regulated through Government Regulation (PP).

Under Perppu No. 1/2020, domestic and foreign online business practitioners that fail to comply with the provisions will be subject to:

- administrative sanctions in accordance with the prevailing Indonesian taxation regulations.
- termination of companies’ access by the Minister of Communication and Information

**TAXATION OBLIGATIONS under Article 8 PERPPU 1 of 2020**

For taxpayers affected by the COVID-19 pandemic, the Indonesian government is relaxing the deadline in filing an objection to tax payments and returning tax overpayments.

For the submission of objections to tax payments, the taxpayer whose due date to file the objection falls within the period of the force majeure due to 2019 Corona Disease Pandemic (COVID-19), the due date for submission of the objection is extended by a maximum of 6 (six) months;
For returning overpayment of taxes, the taxpayer whose due date expire falls within the period of the force majeure due to the COVID-19, the due date for returning tax overpayments has been extended by a maximum of 1 month;

On the implementation of taxpayer rights, which include:
1. Requesting a refund of the excess tax payment
2. Filing an objection letter
3. Request for reduction or elimination of administrative sanctions, reduction or cancellation of incorrect tax assessments, cancellation of the results of the inspection

of which the due date of the issuance or the expiry of the decree falls within the period of force majeure due to the 2019 Corona Virus Disease pandemic (COVID-19), the due date of the issuance of the decree or decision letter is extended by a maximum of 6 (six) months.

The establishment of the period of force majeure due to the 2019 Corona Virus Disease pandemic (COVID-19) refers to the determination of the Government through the Head of the National Disaster Management Agency.

IMPORT DUTY under Article 9 and 10 PERPPU 1 of 2020
The Minister of Finance has the authority to provide customs facilities in the form of exemption or relief of import duties in the context of handling the 2019 Corona Virus Disease pandemic (COVID-19); and / or face threats that endanger the national economy a

nd / or financial system stability.

Amendments to imported goods exempted from import duty based on their intended use as referred to in Article 25 paragraph (1) and Article 16 paragraph (1) of Law Number 10 of 1995 concerning Customs as amended by Law Number 17 of 2006 concerning Amendments Law Number 10 of 1995, is governed by

the corresponding Minister Regulation.

Original document here*

MONETARY INCENTIVES
BI 7-Day Reverse Repo Rate Decreases 25 bps to 4.50%: Maintaining Stability, Mitigating COVID-19 Risk
As of March 18, 2020, COVID-19 has spread to 159 countries, not only in Asia but also in Europe and the United States. This development has caused extremely high uncertainty and reduced the performance of global financial markets, depress many world currencies, and trigger a reversal of capital to financial assets that are considered safe.

To date, the government has taken a number of fiscal and economic stimuli to ease the burden on society and companies from the effects of COVID-19 and to maintain the conducive activities of various economic activities. The Financial Services authority (OJK) has also taken steps to maintain the health of banks and non-bank financial institutions, as well as the operation of the capital market. Therefore, the Bank Indonesia Board of Governors’ Meeting (RDG), on March 18-19, 2020, has decided to reduce the BI 7-Day Reverse Repo Rate (BI7DRR) by 25 bps to 4.50%, the Deposit Facility interest rate by 25 bps to 3.75%, and Lending Facility interest rate by 25 bps to 5.25%.

Bank Indonesia has again strengthen the policy mix aimed at supporting risk mitigation efforts in the spread of COVID-19, maintain financial market and financial system stability, and drive economic growth momentum through the following 7 (seven) steps:
1. Strengthening the triple interventions policy intensity to maintain the stability of the Rupiah exchange rate in accordance with market fundamentals and mechanisms, both on the spot, Domestic Non-deliverable Forward (DNDF), and SBN purchases from the secondary market.

2. Extend the SBN Repo tenure to 12 months and provide a daily auction to strengthen the easing of Rupiah banking liquidity, which has been effective since March 20, 2020.

3. Increase the frequency of FX swap auctions of 1 month, 3 months, 6 months and 12 months from 3 (three) times a week to every day, to ensure adequate liquidity, which is effective from March 19, 2020.

4. Strengthening the Term Deposit instruments in foreign currencies to improve the management of foreign exchange liquidity in the domestic market, as well as encouraging banks to use a reduction in the statutory reserve requirement (GWM) of foreign exchange that has been decided by Bank Indonesia for domestic needs.

5. Strengthening the Term Deposit instruments in foreign currencies to improve the management of foreign exchange liquidity in the domestic market, as well as encouraging banks to use a reduction in the statutory reserve requirement (GWM) of foreign exchange that has been decided by Bank Indonesia for domestic needs.

6. Expanding the policy of easing daily reserve requirement in Rupiah by 50 bps which was originally only intended for banks that conduct export-import financing, plus those financing MSMEs and other priority sectors, effective from 1 April 2020.

7. Strengthening payment system policies to support efforts to mitigate the spread of COVID-19 through:
   o the availability of hygienic circulation-worth money, cash services, and alternative cash service backups, and urges the public to use non-cash payment transactions more.
   o encouraging the use of non-cash payments by reducing the cost of the Bank Indonesia National Clearing System (SKNBI), from banks to Bank Indonesia, from Rp600 to Rp1 and from customers to banks, from a maximum of Rp3,500 to a maximum of Rp2,900, effective from April 1, 2020 until December 31, 2020; and
   o support the distribution of non-cash funds from Government programs such as the PKH and BPNT Social Assistance Programs, the Employment Card Program, and the Indonesia Smart-Lecture Card Program.

For Press release here*

OTHERS

Presidential Regulation (Perpres) Number 59 of 2020 concerning Determination and Storage of Staple Goods and Essential Goods

President Joko Widodo issued regulations on the determination and storage of staples and essential goods to accelerate decision-making in controlling the availability of staple and essential goods.

The Central Government determines the types of staple goods and essential goods. The determination of types of staple goods is based on whether the allocation of household expenditure nationally for these goods is high, also taking into account that the provisions have an influence on the level of induction; and / or have high nutritional content for human needs.

Determination of types of Essential Goods is done based on the strategic nature of national development, also taking into account provisions supporting government programs and / or high price disparities between regions.
Types of Staple Goods consist of rice, soybeans, chilies, garlic, sugar, cooking oil, wheat flour, beef, purebred chicken, purebred eggs and fresh fish. Essential Goods consist of seeds (rice, corn, and soybeans), fertilizers, 3-kilogram LPG, plywood, cement, construction steel and light-weight steel.

Types of staple goods and/or Essential Goods, as referred to in this regulation, can be amended by Ministerial Regulation based on the decision of a coordination meeting chaired by the Coordinating Minister who organizes government affairs in the economic field, attended by the minister/head of Non-ministerial government agencies or officials who are appointed to represent and be given authority for and on behalf of the minister/head of non-ministerial government institutions.

The policies and controls on the availability of Staple Goods and/or Essential Goods, in accordance with the Perpres, can be made based on the decision of a coordination meeting chaired by the Coordinating Minister who organizes government affairs in the economic field, attended by ministers/heads of non-ministerial government agencies or officials appointed to represent and be given authority for and on behalf of ministers/heads of non-ministerial government institutions.

The policies and controls, according to the Perpres, include Hypermarket, Department Store and Supermarket working hours policies as regulated in the laws and regulations governing the structuring and fostering of traditional markets, shopping centers, and modern stores.

This Perpres is valid since promulgated on April 14, 2020.
Official document here*

Circular of the Minister of Industry No. 5 of 2020 on Temporary Exemption for Addition of Fortified Substances in Wheat Flour
COVID-19 has caused several countries such as India and Malaysia to lockdown to reduce the spread of the virus. This results in the difficulty of fulfilling premix as a fortified flour substance in accordance with the quality requirements of SNI which so far have only been supplied from these two countries. While waiting for a stable supply from the two countries, the application of SNI 3751:2009 for Wheat Flour as stipulated under Regulation of the Ministry of Industry No. 59/M-IND/PER/7/2015 on The Implementation of SNI for Wheat Flour as Food Material (“Permenperin 59/2015”) is temporarily excluded for the addition of premixes (iron, zinc, vitamin B1, vitamin B2 and folic acid) to wheat flour until December 31, 2020.

The use of the packaging labeled "Containing fe, zn, vitamin b1, vitamin b2 /, folic acid" is stated to remain in force until December 31, 2020.
Official Document here*

Circular of the Minister of Industry No. 6 of 2020 on Temporary Exemption to the Content of Vitamin A and/or Pro-Vitamin A in Palm Cooking Oil
The COVID-19 pandemic has disrupted international trade and impacted the importation of raw materials for Food and Beverages industry.

One of raw materials for palm cooking oil is vitamin A and/or provitamin A, which is the requirements in SNI 7709:2019 Palm cooking oil. While waiting for the supply of Vitamin A and/or Pro-Vitamin A to
Indonesia, the mandatory implementation of SNI for palm cooking oil as stipulated in the Regulation of the Ministry of Industry No. 46 of 2019 (“Permenperin 46/2019”) is temporarily exempted to the content of Vitamin A and/or Pro-Vitamin A in palm cooking oil until December 31, 2020. Official Document [here]*

*[In Bahasa Indonesia]*

Disclaimer:
In this Government Support Update we attempt to provide latest information available on the COVID-19 issued by the Government of Indonesia. Although we make every effort to ensure the accuracy of such information, we cannot guarantee its correctness and completeness.