

ANNEX III

**SCHEDULE OF RESERVATIONS AND NON-CONFORMING MEASURES FOR
INVESTMENT**

INDONESIA

LIST A

EXPLANATORY NOTES

1. This List sets out, pursuant to Article 10.8 (Reservations and Non-Conforming Measures), measures that do not conform to the obligations under:
 - (a) Article 10.3 (National Treatment);
 - (b) Article 10.4 (Most-Favoured-Nation Treatment);
 - (c) Article 10.6 (Prohibition of Performance Requirements); and
 - (d) Article 10.7 (Senior Management and Board of Directors).
2. This List and List B pursuant to Article 10.8 (Reservations and Non-Conforming Measures) follow the negative list with two list approach as follows:
 - (a) this List sets out commitments in relation to existing non-conforming measures which are subject to standstill obligations but not subject to ratchet mechanism; and
 - (b) List B sets out policy flexibility in relation to measures in sectors, subsectors and activities.
3. Each reservation shall set out the following elements, where applicable:
 - (a) **Sector** refers to the sector in which a reservation is taken;
 - (b) **Subsector** refers to specific industries, products, and activities in which a reservation is taken;
 - (c) **Industry Classification** refers to the activities covered by the reservation according to:
 - (i) International Standard Industrial Classification Revision 3 for manufacturing, agriculture, fishery, forestry, mining and quarrying (hereinafter referred to as "ISIC"); or where applicable, ASEAN Harmonised Tariff Nomenclature codes; or
 - (ii) If the reservation does not exactly conform to the ISIC, Indonesia has specified the coverage of the reservation as necessary and appropriate.
 - (d) **Level of Government** specifies the level of government (e.g., Central or Regional) maintaining the measure for which a reservation is taken;
 - (e) **Type of Obligation** refers to the obligations of Article 10.3 (National Treatment), Article 10.4 (Most-Favoured-Nation Treatment), Article 10.6 (Prohibition of Performance Requirements), and Article 10.7 (Senior Management and Board of Directors), as the case may be, which do not apply to the listed measures;

- (f) **Description of Measure** refers to measures that does not conform to Article 10.3 (National Treatment), Article 10.4 (Most-Favoured-Nation Treatment), Article 10.6 (Prohibition of Performance Requirements), or Article 10.7 (Senior Management and Board of Directors) for which a reservation is taken; and
 - (g) **Source of Measure** refers to existing measures that apply to the sector, subsector or activities covered by the reservations and is identified for transparency purposes only.
- 4. In the interpretation of a reservation, all elements of a reservation shall be considered. The Description of Measure element shall prevail over all other elements.
 - 5. This note shall form part of Indonesia's reservations.

Sector	:	All sectors
Subsector	:	Acquisition or Lease of Land
Level of Government	:	Central and Regional
Type of Obligation	:	National Treatment (Article 10.3)
Description of Measure	:	The right of ownership of land (<i>hak milik</i>) is restricted to Indonesian nationals only. Note: Notwithstanding the above, foreign nationals and foreign companies incorporated and domiciled in Indonesia may acquire land and property on the basis of the following rights: (a) Leasehold (<i>hak guna usaha</i>), granted to a foreign company for a maximum period of 35 years and may be extended for a further period of 25 years. (b) Building rights (<i>hak guna bangunan</i>), granted to a foreign company for a maximum period of 30 years and may be extended for a further period of 20 years. (c) Right of use (<i>hak pakai</i>), granted to: (i) a foreign national for a maximum period of 30 years and may be extended for a further period of 20 years; (ii) a foreign company for a maximum period of 25 years and may be extended for a further period of 20 years. (d) Right of lease (<i>hak sewa</i>), granted to a foreign national or a foreign company for a definite period as may be agreed by the parties. Such acquisitions of land and property must be approved by the relevant authority, subject to such conditions and restrictions as may be imposed by that authority.
Source of Measure	:	• <i>Article 33 of the 1945 Constitution of The Republic of Indonesia</i> • <i>Law No.5 of 1960 concerning Basic Regulations on Agrarian Principles</i>

	• <i>Government Regulation No.40 of 1996 concerning the Right of Cultivation of Land, the Right of Use of Structures, and the Right of Use of Land</i> • <i>Government Regulation No. 103 of 2015 concerning Residence or Housing Ownership for Foreigners Domiciled in Indonesia</i>
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Sector	:	All sectors
Subsector	:	Registration Requirements for the Establishment of Foreign Investment
Level of Government	:	Central
Type of Obligation	:	National Treatment (Article 10.3)
Description of Measure	:	Foreign investment ¹ shall have a total investment value of more than IDR 10 billion (excluding land and buildings), unless required otherwise by the specific sector in accordance with Indonesia's laws and regulations. In the case of large businesses in the industrial sector as defined in the relevant regulation, foreign investment shall have total investment value of more than IDR 15 billion (including land and buildings).
Source of Measure	:	• <i>Law No. 25 of 2007 concerning Investment</i> • <i>Law No. 20 of 2008 concerning Micro, Small and Medium Enterprises</i> • <i>Ministry of Industry Regulation No. 64 of 2016 concerning Amount of Worker and Investment for Industrial Business Classification</i> • <i>Investment Coordinating Board Regulation No. 6 of 2018 concerning Guidelines and Procedures for Investment Licensing and Facilities</i>

¹ For the purposes of this reservation, the term "foreign investment" has the meaning set out in *Law No. 25 of 2007 concerning Investment*.

Sector	:	All sectors
Subsector	:	-
Level of Government	:	Central
Type of Obligation	:	National Treatment (Article 10.3)
Description of Measure	:	Foreign investment² shall be in the form of a Limited Liability Company based on the law of the Republic of Indonesia. A foreign investor³ organised under the laws of another country seeking to make direct investment in Indonesia must be established as an Indonesian Limited Liability Company (<i>Perseroan Terbatas</i>) in accordance with <i>Law No. 25 of 2007 concerning Investment</i>.
Source of Measure	:	• <i>Law No. 25 of 2007 concerning Investment</i> • <i>Law No. 40 of 2007 concerning Limited Liability Company</i>

² For the purposes of this reservation, the term “foreign investment” has the meaning set out in *Law No. 25 of 2007 concerning Investment*.

³ For the purposes of this reservation, the term “foreign investor” has the meaning set out in *Law No. 25 of 2007 concerning Investment*.

Sector	:	All sectors
Subsector	:	-
Level of Government	:	Central
Type of Obligation	:	National Treatment (Article 10.3)
Description of Measure	:	Foreign investment shall appoint local distribution agents to sell its products to the end-users in Indonesia. For greater certainty, “foreign investment” means a foreign investor or a legal entity established as an Indonesian Limited Liability Company (<i>Perseeroan Terbatas</i>) in accordance with the Source of Measures listed under reservation 3 of this List.
Source of Measure	:	• <i>Law No. 20 of 2008 concerning Micro, Small and Medium Enterprises</i> • <i>Ministry of Trade Regulation No. 22 of 2016 on General Provisions on the Distribution of Goods</i> • <i>Ministry of Trade Regulation No. 11 of 2006 on Provisions and Procedures of Issuance of Agents or Distributor of Goods and/or Services Registration</i> • <i>Investment Coordinating Board Regulation No. 6 of 2018 concerning Guidelines and Procedures for Investment Licensing and Facilities</i>

Sector	:	All sectors
Subsector	:	-
Level of Government	:	Central
Type of Obligation	:	- National Treatment (Article 10.3) - Senior Management and Board of Directors (Article 10.7)
Description of Measure	:	A foreign investment established under <i>Law No. 40 of 2007 concerning Limited Liability Company</i> is required to have any positions related to personnel affairs to be occupied by Indonesian nationals.
Source of Measure	:	• <i>Law No. 13 of 2003 concerning Manpower</i> • <i>Presidential Decree No. 74 of 2014 concerning the Employment of Expatriates and the Implementation of Education and Training for Labour Companion</i> • <i>Ministry of Manpower and Transmigration Decree No. 40 of 2012 concerning Certain Positions that are Restricted for Foreign Workers</i> • <i>Presidential Regulation No. 20 of 2018 concerning the Employment of Expatriates.</i>

Sector	:	Fishery
Subsector	:	Capture Fisheries
Industry Classification	:	ISIC 0500
Level of Government	:	Central
Type of Obligation	:	National Treatment (Article 10.3)
Description of Measure	:	Capture fisheries in Indonesia are prohibited for foreign investors.
Source of Measure	:	• <i>Law No. 31 of 2004 as amended by Law No. 45 of 2009 concerning Fishery</i> • <i>Law No. 5 of 1983 concerning Indonesia's Exclusive Economic Zone</i> • <i>Presidential Regulation of the Republic of Indonesia No. 44 of 2016 concerning Lists of Business Fields That Are Closed to Investment and Business Fields That Are Conditionally Open for Investment</i> • <i>Regulation of the Minister of Marine Affairs and Fisheries of the Republic of Indonesia No. PER.05/MEN/2008 as amended by No. PER.12/MEN/2009 regarding Capture Fishery Business</i> • <i>Government Policy.</i>

Sector	:	Mining and Quarrying
Subsector	:	-
Industry Classification	:	ISIC 1429
Level of Government	:	Central
Type of Obligation	:	National Treatment (Article 10.3)
Description of Measure	:	The establishment and operation of foreign investment in Sea Sand Extraction are prohibited for foreign investors.
Source of Measure	:	• <i>Law No. 4 of 2009 as amended by Law No. 3 of 2020 concerning Mineral and Coal Mining</i> • <i>Presidential Regulation of the Republic of Indonesia No. 44 of 2016 concerning Lists of Business Fields That Are Closed to Investment and Business Fields That Are Conditionally Open for Investment.</i>

Sector	:	All Sectors
Subsector	:	Public Enterprise
Level of Government	:	Central
Type of Obligation	:	- National Treatment (Article 10.3) - Senior Management and Board of Directors (Article 10.7)
Description of Measure	:	National Treatment (Article 10.3) and Senior Management and Board of Directors (Article 10.7) may not apply in the event where activities restricted to designated enterprises ⁴ are liberalised to those other than the designated entities, or in the event where such a designated enterprise no longer operate on a non-commercial basis.
Source of Measure	:	<i>Government Regulation No. 13 of 1998 concerning Public Enterprise</i>

⁴ For illustrative purposes, designated enterprise may include State Forestry Public Enterprise denoted as *Perum PERHUTANI* and National Money Printing Public Enterprise denoted as *Perum PERURI*.

Sector	:	All sectors
Subsector	:	-
Level of Government	:	Central
Type of Obligation	:	- National Treatment (Article 10.3) - Senior Management and Board of Directors (Article 10.7)
Description of Measure	:	For companies or projects that are in existence prior to the date of entry into force of this Agreement, conditions imposed in their approvals for permits shall continue to apply. Any changes to these conditions shall be subject to approval.
Source of Measure	:	<i>Presidential Regulation of the Republic of Indonesia No. 44 of 2016 concerning Lists of Business Fields That Are Closed to Investment and Business Fields That Are Conditionally Open For Investment</i>

Sector	:	Manufacturing
Subsector	:	-
Industry Classification	:	ISIC (see below)
Level of Government	:	Central
Type of Obligation	:	National Treatment (Article 10.3)
Description of Measure	:	Foreign investors are prohibited from establishing the following businesses in Indonesia: (a) reserved for micro, small, and medium enterprises⁵: • manufacturer of the following agricultural products with an equal or exceeding a certain capacity limit as stipulated in the <i>Agriculture Minister Regulation No. 98 of 2013 concerning Guidance of Plantation Business License Jo. Agriculture Minister Regulation No. 21 of 2017 concerning the Second Amendment of Regulation No. 98 of 2013</i>: - dried clove buds; crude vegetable and animal oils; copra, fibre, coconut shell charcoal, dust, nata de coco; coconut oil; palm oil; cotton fibre; cotton seeds; peeling, cleaning, drying, and sorting of plantation products (cocoa beans and coffee beans); cashews for dried cashew nut and cashew nut shell liquid (CNSL); peppercorns for dried white peppercorns and dried black peppercorns; cane sugar, sugar cane top and sugar cane bagasse; black tea or green tea; dried tobacco leaves; rubber for sheets, concentrated latex; rude jatropha oil (ISIC 0111, 0140, 1513, 1514, 1531, 1542, 1549, 1600, 2429, 2519) • fish processing: boiling of fish (ISIC 1512); • manufacture of processed food from soybean in form of tempeh and tofu (ISIC 1513, 1514,

⁵ For the purposes of this reservation, the term "micro, small, and medium enterprises" has the meaning as set out in *Presidential Regulation of The Republic of Indonesia No. 44 of 2016 concerning Lists of Business Fields that are Closed to Investment and Business Fields that are Conditionally Open for Investment*.

	1549) • manufacture of foods from soybeans and beans other than soy sauce, tempeh, and tofu (ISIC 1513, 1549) • manufacture of perishable prepared cakes (ISIC 1513, 1514, 1549) • manufacture of crackers (<i>krupuk</i>), flakes (<i>keripik</i>), fried and flavoured biscuits (<i>peyek</i>) and the likes (ISIC 1513, 1514, 1549) • manufacture of palm sugar, Javanese sugar or red sugar (ISIC 1542) • milling (peeling and cleaning) of roots and tubers (ISIC 0140, 1531) • thread coloring from natural and artificial fibre to be patterned, dipped or tied thread, performed by hand-work tools (ISIC 1711) • fabrics printing industry (ISIC 1712, 1729) • hand painted batik industry (ISIC 1712, 1729) • knitted cloth industry especially lace (ISIC 1730) • muslim woman's praying cloth, scarf, head scarf, and other traditional industries (ISIC 1810) • embroidery industry (ISIC 1729) • handicrafts industry: rattan and bamboo plait industry; plait industry with plant other than rattan and bamboo; carving handicraft from wood, except furniture industry; kitchen household industry from wood, rattan and bamboo; wood, rattan, cork products industry that is not classified elsewhere (ISIC 2029, 3699) • traditional musical instruments (ISIC 3692) • rubber curing industry (ISIC 2519) • clay made household necessities industry especially pottery (ISIC 2691) • hand-tools industry needed for farming to prepare land, process production, post-
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		harvest and processing except hoe and shovel (ISIC 2893) • manual or semi mechanical processed hand tool industry for handwork and cutting (ISIC 2893) • maintenance and repair of motorcycles other than those integrating with sale of motorcycles (agents or distributor) (ISIC 5040) • repair of personal and household goods (ISIC 3610, 5260) • primary industry of forests products processing: pine sap (<i>Oleo Pine Resin</i>) and bamboo (ISIC 0200); • saw mill or lumbering industry with production capacity of below or equal to 2.000 cubic metres per year; • primary industry of processing rattan (ISIC 2010). (b) 100 per cent domestic equity participation: • industry of main equipment for defense and security (ISIC 2520, 2893, 2927, 2929, 3530, 3610) • traditional medicines and natural extracts processing and industry (ISIC 2423)
Source of Measure	:	• <i>Law No. 25 of 2007 concerning Investment</i> • <i>Law No. 39 of 2014 concerning Plantations</i> • <i>Presidential Regulation of the Republic of Indonesia No. 44 of 2016 concerning Lists of Business Fields That Are Closed to Investment and Business Fields That Are Conditionally Open For Investment</i> • <i>Presidential Decree No. 21 of 2001 concerning Lubricant Supply and Services</i> • <i>Agriculture Minister Regulation No. 98 of 2013 concerning Guidance of Plantation Business License Jo. Agriculture Minister Regulation No. 21 of 2017 concerning the Second Amendment of Regulation No. 98 of 2013</i>

		• <i>Government Policy</i>
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Sector	:	Agriculture
Subsector	:	-
Industry Classification	:	ISIC (see below)
Level of Government	:	Central
Type of Obligation	:	National Treatment (Article 10.3)
Description of Measure	:	Foreign investors are prohibited from establishing the following businesses in Indonesia: reserved for micro, small, and medium enterprises⁶: • for each individual crop cultivation in an area less than 25 hectares: - staple food crops (rice, corn, soybeans, groundnuts, green beans, cassava and sweet potatoes) and other food crops not classified elsewhere (ISIC 0111, 0112, 0113, 0200). • for each individual plantation seeding business in an area less than 25 hectares: - <i>jatropha curcas</i>, other sweetener crops, sugar canes, tobacco, textile raw materials and cotton, other crops not elsewhere classified, cashews, coconut palms, oil palms, beverage crops (tea, coffee, and cocoa), peppercorns, cloves, essential oil crops, medicinal pharmaceutical crops (other than horticulture), other spice crops, rubber and other trees for extraction of sap (ISIC 0111, 0112, 0113, 0200) • for each individual plantation business in an area less than 25 hectares: - other sweetener crops, sugar cane, tobacco, textile raw materials and cotton, cashews, coconut palms, oil palms, beverage crops (tea, coffee and cocoa), peppercorns, cloves, essential oil crops,

⁶ For the purposes of this reservation, the term "micro, small, and medium enterprises" has the meaning as set out in *Presidential Regulation of the Republic of Indonesia No. 44 of 2016 concerning Lists of Business Fields that are Closed to Investment and Business Fields that are Conditionally Open for Investment*.

		medicinal or pharmaceutical crops other than horticulture, other spice crops, rubber and other trees for extraction of sap, other plantation farming (ISIC 0111, 0112, 0113, 0200) • swine breeding and farming with quantity of less than or equal to 125 heads (ISIC 0122) • breeding and farming of native chicken (<i>ayam buras</i>) and its cross breeding and farming (ISIC 0122)
Source of Measure	:	• <i>Law No. 39 of 2014 concerning Plantations</i> • <i>Law No. 18 of 2009 concerning Livestock and Animal Health and Law No. 41 of 2014 concerning the Amendment to Law No. 18 of 2009</i> • <i>Law No. 41 of 1999 concerning Forestry</i> • <i>Law No. 5 of 1990 concerning Conservation of Natural Resources and Its Ecosystems</i> • <i>Government Regulation No. 6 of 2007 as amended by Government Regulation No. 3 of 2008 concerning Forest Administration and Compilation of Forest Management Planning and Utilization of Forest</i> • <i>Government Regulation No. 8 of 1999 concerning Utilization of Plant and Wild Animal Species Government Regulation number 18 of 2010 concerning Plant Cultivating Business</i> • <i>Presidential Regulation of the Republic of Indonesia No. 44 of 2016 concerning Lists of Business Fields That Are Closed to Investment and Business Fields That Are Conditionally Open For Investment</i> • <i>Government Regulation No. 44 of 1995 concerning Seeding of Plantations</i> • <i>Agriculture Minister Regulation No. 98 of 2013 concerning Guidance of Plantation Business License Jo. Agriculture Minister Regulation No. 21 of 2017 concerning the Second Amendment of Regulation No. 98 of 2013</i> • <i>Agriculture Minister Decree No. 404 of 2002 concerning Guidelines for License and</i>

	<i>Registration on Livestock Sector</i> • <i>Agriculture Minister Regulation No. 70 of 2014 concerning Licensing Guidelines for Horticulture Cultivation</i> • <i>Agriculture Minister Regulation No 2 of 2009 concerning Guidelines of Veterinary Medical Services</i> • <i>Agriculture Minister Regulation No. 39 of 2010 concerning the Guidelines on Business Licensing for Staple Crops Cultivation</i> • <i>Government Policy</i>
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Sector	:	Forestry
Subsector	:	-
Industry Classification	:	ISIC (see below)
Level of Government	:	Central
Type of Obligation	:	National Treatment (Article 10.3)
Description of Measure	:	Foreign investors are prohibited from establishing the following businesses in Indonesia: (a) reserved for micro, small, and medium enterprises⁷: (i) exploitation of other forest plants (sugar palms, candlenuts, tamarind seeds, charcoal raw materials, cinnamon) (ISIC 0200) (ii) exploitation of swallow nests in nature (ISIC 0122) (b) 100 per cent domestic equity participation: (iii) exploitation of wood forest products from the natural forests (ISIC 0200) (iv) growing and trading of breeds and seeds of forests trees or plants (export and import of breeds and seeds of forests trees or plants) (ISIC 5121) (v) exploitation of water resources in forest area (ISIC 0200) (vi) capturing and trading of wild plants and wild animal from the natural wildlife habitat (ISIC 0150)
Source of Measure	:	• <i>Law No. 41 of 1999 concerning Forestry</i> • <i>Law No. 5 of 1990 concerning Conservation of Natural Resources and Its Ecosystems</i> • <i>Government Regulation No. 6 of 2007 as amended by Government Regulation No. 3 of</i>

⁷ For the purposes of this reservation, the term "micro, small, and medium enterprises" has the meaning as set out in *Presidential Regulation of The Republic of Indonesia No. 44 of 2016 concerning Lists of Business Fields that are Closed to Investment and Business Fields that are Conditionally Open for Investment*.

	<i>2008 concerning Forest Administration and Compilation of Forest Management Planning and Utilization of Forest</i> • <i>Government Regulation No. 36 of 2010 concerning Natural Tourism Concession in the National Park Utilization Zone, Grand Forest Park, Nature Tourism Park</i> • <i>Government Regulation No. 8 of 1999 concerning Utilization of Plant and Wild Animal Species</i> • <i>Presidential Regulation of the Republic of Indonesia No. 44 of 2016 concerning Lists of Business Fields That Are Closed to Investment and Business Fields That Are Conditionally Open For Investment</i> • <i>Government Policy.</i>
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Sector	:	All sectors
Subsector	:	-
Level of Government	:	Central
Type of Obligation	:	National Treatment (Article 10.3)
Description of Measure	:	(a) As may be required by the relevant regulatory authorities, a company in which foreign investors⁸ own 100 per cent equity participation, subject to prior notification before the grant of the licence, after certain period since commencement of commercial production, the said foreign investors should sell a part of the company's share to domestic investors⁹. (b) In the case of Mineral and Coal Mining subsector¹⁰, a mining business licence (<i>Izin Usaha Pertambangan</i>) for foreign investment¹¹ shall be granted by the Minister of Energy and Mineral Resources of the Republic of Indonesia. Subject to prior notification before the grant of mining business licence (<i>Izin Usaha Pertambangan</i>), five years after the commencement of production, foreign shareholders¹² of foreign investment should sell their shares gradually to Indonesian shareholders¹³ according to the following priorities:

⁸ For the purposes of this reservation, the term "foreign investor" has the meaning as set out in *Law No. 25 of 2007 concerning Investment*.

⁹ For the purposes of this reservation, the term "domestic investor" has the meaning as set out in *Law No. 25 of 2007 concerning Investment*. For greater certainty, the requirement set out in paragraph (a) of this reservation is based on *Government Regulation No 20 of 1994* and it will not be applied to investment made after the stipulation of *Law No. 25 of 2007 concerning Investment*.

¹⁰ For the purposes of this reservation, the scope of Mineral and Coal Mining subsector is defined in *Law No. 4 of 2009 as amended by Law No. 3 of 2020 concerning Mineral and Coal Mining* and *Government Regulation No. 23 of 2010 concerning the Implementation of Mineral and Coal Mining Activities Jo. Government Regulation No. 1 of 2017 concerning fourth Amendment of Government Regulation No. 23 of 2010 concerning the Implementation of Mineral and Coal Mining Activities*.

¹¹ For the purposes of this reservation, the term "foreign investment" has the meaning as set out in *Law No. 25 of 2007 concerning Investment*.

¹² For the purposes of this reservation, the term "foreign shareholders" has the meaning as set out in *Government Regulation No. 24 of 2012 concerning Amendment of Government Regulation No. 23 of 2010 concerning the Implementation of Mineral and Coal Mining Activities*.

¹³ For the purposes of this reservation, the term "Indonesian shareholders" has the meaning as set out in *Government Regulation No. 23 of 2010 concerning the Implementation of Mineral and Coal Mining*

		(i) central government, (ii) provincial government, (iii) regencies or municipalities, (iv) state owned enterprises (<i>Badan Usaha Milik Negara</i> and <i>Badan Usaha Milik Daerah</i>), and (v) national private business entity¹⁴. The shares of the said Indonesian shareholders shall reach majority after 10 years after the commencement of production.
Source of Measure	:	• <i>Law No. 25 of 2007 concerning Investment</i> • <i>Law No. 4 of 2009 as amended by Law No. 3 of 2020 concerning Mineral and Coal Mining</i> • <i>Law No. 1 of 2014 concerning Management of Coastal Areas and Small Islands</i> • <i>Government Regulation No. 20 of 1994 concerning Share Ownership in Companies Set Up Under Foreign Capital Investments</i> • <i>Government Regulation No. 23 of 2010 concerning the Implementation of Mineral and Coal Mining Activities Jo. Government Regulation No. 77 of 2014 concerning Third Amendment Jo. Government Regulation No. 1 of 2017 concerning Fourth Amendment</i> • <i>Energy and Mineral Resources Ministerial Regulation No. 9 of 2017 concerning Procedures of Divestment of Shares and Mechanism on Divestment Stock Pricing</i> • <i>Energy and Mineral Resources Ministerial Regulation No. 25 of 2018 concerning Mineral and Coal Mining Business.</i>

Activities Jo. Government Regulation No. 24 of 2012 concerning Amendment of Government Regulation No. 23 of 2010 concerning the Implementation of Mineral and Coal Mining Activities.

¹⁴ For the purposes of this reservation, the term “national private business entity” has the meaning as set out in *Government Regulation No. 23 of 2010 concerning the Implementation of Mineral and Coal Mining Activities*.

Sector	:	Mining and Quarrying
Subsector	:	-
Industry Classification	:	ISIC 1010, 1020, 1030, 1310, 1320
Level of Government	:	Central
Type of Obligation	:	National Treatment (Article 10.3)
Description of Measure	:	Mining Business License (hereinafter referred to as "WIUP"), refers to an area given to the holder of a Mining Business License. Foreign investors or juridical person of another Party seeking to make an investment in Indonesia are prohibited from participating in the auction of metallic mineral and coal WIUP with the size of under 500 Hectares.
Source of Measure	:	• <i>Law No. 4 of 2009 as amended by Law No. 3 of 2020 concerning Mineral and Coal Mining</i> • <i>Government Regulation No. 23 of 2010 concerning the Implementation of Mineral and Coal Mining Activities Jo. Government Regulation No. 1 of 2017 concerning Fourth Amendment of Government Regulation No. 23 of 2010</i> • <i>Regulation of the Minister of Energy and Mineral Resources No. 11 of 2018 concerning the Procedure for Granting Area License, and Reporting on Mineral and Coal Mining Activities.</i>

Sector	:	All sectors
Subsector	:	-
Level of Government	:	Central
Type of Obligation	:	National Treatment (Article 10.3)
Description of Measure	:	Non-resident taxpayers will be subject to withholding tax of 20 per cent, if they derive the following income from an Indonesian source: (a) Interest; (b) Royalty; (c) Dividend; or (d) Fee from service performed in Indonesia.
Source of Measure	:	<i>Income Tax Law No. 36 of 2008 concerning The Fourth Amendment to Law No.7 of 1983 concerning Income Tax</i>

Sector	:	All sectors
Subsector	:	-
Level of Government	:	Central
Type of Obligation	:	Prohibition of Performance Requirements (Article 10.6)
Description of Measure	:	Obligation under Article 10.6 (Prohibition of Performance Requirements) shall not apply to all existing non-conforming measures, which include measures related to these requirements: (a) to achieve a given level or percentage of domestic content; (b) to relate the volume or value of imports to the volume or value of exports or to the amount of foreign exchange inflows associated with investments of that investor; (c) to restrict sales of goods in its territory that such investment produces by relating such sales to the volume or value of its exports or foreign exchange earnings; (d) to export a given level or percentage of goods; (e) to transfer a particular technology, a production process, or other proprietary knowledge to a person in its territory. For specific purpose, a foreign investor or a legal entity established as Indonesian Limited Liability Company (<i>Perseroan Terbatas</i>) in accordance with <i>Law No. 40 of 2007 concerning Limited Liability Company</i>, which are employing foreign experts are required to provide trainings and transfer of technology to workers of Indonesian nationals pursuant to the laws and regulations.
Source of Measure	:	• <i>Law No.25 of 2007 concerning Investment</i> • <i>Law No. 40 of 2007 concerning Limited Liability Company</i> • <i>Government Policy</i>

Sector	:	Agriculture, Manufacturing
Subsector	:	Horticulture
Industry Classification	:	ISIC 0111, 0112, 0113, 0140, 1513, 1514, 1531, 1549, 2423
Level of Government	:	Central
Type of Obligation	:	– National Treatment (Article 10.3) – Senior Management and Board of Directors (Article 10.7)
Description of Measure	:	Article 10.3 (National Treatment) and Article 10.7 (Senior Management and Board of Directors) may not apply to the establishment and operation of horticulture business activities in Indonesia, which includes the following activities: (a) germination; (b) cultivation; (c) harvest and post-harvest; (d) processing; (e) distribution, trading, and marketing; (f) research; and (g) agro tourism A transition period of four years is provided for existing investors¹⁵ in the horticulture subsectors¹⁶ to make adjustment to comply with measures stated in <i>Law No. 13 of 2010 concerning Horticulture</i> and its implementing regulations.
Source of Measure	:	• <i>Law No. 13 of 2010 concerning Horticulture</i> • <i>Government Policy</i>

¹⁵ For the purposes of this reservation, existing investors refer to the existing investors that exist before the enactment of *Law No. 13 of 2010 concerning Horticulture*.

¹⁶ For the purposes of this reservation, the definition of horticulture subsectors has the meaning as set out in *Law No. 13 of 2010 concerning Horticulture*.

LIST B

EXPLANATORY NOTES

1. This List sets out, pursuant to Article 10.8 (Reservations and Non-Conforming Measures), measures that do not conform to the obligations under:
 - (a) Article 10.3 (National Treatment);
 - (b) Article 10.4 (Most-Favoured-Nation Treatment);
 - (c) Article 10.6 (Prohibition of Performance Requirements); and
 - (d) Article 10.7 (Senior Management and Board of Directors).
2. List A and this List pursuant to Article 10.8 (Reservations and Non-Conforming Measures) follow the negative list with two list approach as follows:
 - (a) List A sets out commitments in relation to existing non-conforming measures which are subject to standstill obligations but not subject to ratchet mechanism; and
 - (b) this List sets out policy flexibility in relation to measures in sectors, subsectors and activities.
3. Each reservation shall set out the following elements, where applicable:
 - (a) **Sector** refers to the sectors in which a reservation is taken;
 - (b) **Subsector** refers to specific industries, products, and activities in which a reservation is taken;
 - (c) **Industry Classification** refers to the activities covered by the reservation according to:
 - (i) International Standard Industrial Classification Revision 3 for manufacturing, agriculture, fishery, forestry, mining and quarrying (hereinafter referred to as "ISIC"); or where applicable, ASEAN Harmonised Tariff Nomenclature codes; or
 - (ii) If the reservation does not exactly conform to the ISIC, Indonesia has specified the coverage of the reservation, as necessary and appropriate.
 - (d) **Level of Government** specifies the level of government (e.g., Central or Regional) maintaining the measure for which a reservation is taken;
 - (e) **Type of Obligation** refers to the obligations of Article 10.3 (National Treatment), Article 10.4 (Most-Favoured-Nation Treatment), Article 10.6 (Prohibition of Performance Requirements), and Article 10.7 (Senior Management and Board of Directors), as the case may be, which do not apply to the listed measure;

- (f) **Description of Measure** refers to measures that do not conform to Article 10.3 (National Treatment), Article 10.4 (Most-Favoured-Nation Treatment), Article 10.6 (Prohibition of Performance Requirements), or Article 10.7 (Senior Management and Board of Directors) for which a reservation is taken; and
 - (g) **Source of Measure** refers to existing measures that apply to the sector, subsector or activities covered by the reservations and is identified for transparency purposes only.
- 4. In the interpretation of a reservation, all elements of a reservation shall be considered. The Description of Measure element shall prevail over all other elements.
 - 5. This note shall form part of Indonesia's reservations.

Sector	:	All sectors
Subsector	:	Customary Rights on Land and Properties
Level of Government	:	Central and Regional
Type of Obligation	:	National Treatment (Article 10.3)
Description of Measure	:	Indonesia reserves the right to adopt or maintain any measure related to customary rights of land and properties of minorities tribal groups.
Source of Measure	:	• <i>Article 33 of the 1945 Constitution of The Republic of Indonesia</i> • Government Policy.

Sector	:	Manufacturing
Subsector	:	-
Industry Classification	:	ISIC (see below)
Level of Government	:	Central
Type of Obligation	:	National Treatment (Article 10.3)
Description of Measure	:	Indonesia reserves the right to adopt or maintain measures for the establishment and operation of foreign investment in the following subsectors: (a) Limitation on Foreign Equity Participation: - cars maintenance and repair (ISIC 5020) - patent medicine industry (ISIC 2423) (b) Partnership requirement: - manufacturer of copra (ISIC 1514) - sweetening and saline fruits and vegetable industry (ISIC 1513) - manufacturer of soy sauce (10771) - milk powder and condensed milk processing and industry (ISIC 1520) - stamped batik industry (ISIC 1712) - rattan processing industry (ISIC 2010) - preserving industry of rattan, bamboo, and the likes (ISIC 2010) - manufacturer of wooden goods (moulding and construction material components industry) (ISIC 2029) - essential oil industry (ISIC 2429) - tobacco drying and preliminary processing industry (ISIC 1600) - bricks and clay or ceramic industry (ISIC 2691, 2692, 2693)

		• goods made from clay or ceramic industry (ISIC 2691, ISIC 2693) • lime industry (ISIC 2694) • goods made from cement industry (ISIC 2695) • good made from lime industry (ISIC 2695) • other goods made from cement and lime industry (ISIC 2695) • nails, nuts and bolts industry, component and spare parts to start up motor industry, pumps and compressor industry, component and two and three wheels vehicles accessories industry, bike and pedicab (<i>becak</i>) accessories industry (ISIC 2899, 2911, 2912, 3591, 3592) • agricultural machinery industry using medium technology such as rice peeler, corn peeler and handy-tractor (ISIC 2921) • manufacturer of wooden ships for marine tourism and fishing (ISIC 3511, 3512) • manufacturer of devices and fittings of wooden ships for marine tourism and fishing (ISIC 3511) • manufacturer of jewelry products from precious metal for personal use (ISIC 3330, 3691) • manufacturer of jewelry products from precious metal for non-personal use (ISIC 3330, 3691) • manufacturer of jewelry products from non-precious metal for non-personal use (ISIC 3330, 3699) • manufacture of precious stones (ISIC 3691) • manufacture of handicraft not elsewhere classified (ISIC 3699) • non-metal waste recycle (ISIC 3720) • sugar industry from sugar cane (white crystal sugar, refined crystal sugar and raw
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		crystal sugar) (ISIC 1542) - fishery processing industry: salting and drying of fish and biota from other waters (ISIC 1512); smoking of fish and biota from other waters (ISIC 1512); fish yeasting or fermentation, and other cooked products for extraction and fish jelly (ISIC 1512, 1549); processing of minced fish and surimi (ISIC 1512) (c) Recommendation or specific requirements by relevant authorities: - cigarette Industries: - clove cigarette industry (ISIC 1600) - regular non-clove cigarette industry (ISIC 1600) - Other cigarette industries (ISIC 1600) - manufacturer of securities (inter alia, bank notes paper, cheque paper, watermark paper) (ISIC 2101) - money printing and special printing industry or security documents such as stamp, stamp duty, valuable paper such as bank note paper, cheque paper, watermark paper, passport, demography document and hologram, money printing industry. Special permit is required from the Minister of Industry and from the National Intelligence Agency (ISIC 2221) - myclamate and saccharin industry (ISIC 2411) - special ink industry (ISIC 2429) - lead smelting industry (ISIC 2720) - saw mill or lumbering industry with production or output capacity above 2,000 cubic metres per year (ISIC 2010) - veneer industry, plywood industry, Laminated Veneer Lumber (LVL) industry (ISIC 2021) - wood chip industry and wood pellet industry (ISIC 2029)
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		• narcotics for pharmaceutical industry (Pharmaceutical Industry) (ISIC 2423) • medical equipment industry: - class B (surgical masks, syringe, patient monitor, condom, surgical gloves, hemodialysis fluids, PACS, surgical knives) (ISIC 2423) - class C (IV catheter, x ray, ECG, patient monitor, orthopedic implants, contact lens, oximeters, densitometers) (ISIC 2423) - class D (CT scan, MRI, cardiac catheter, cardiac stent, HIV test, pacemaker, dermal fillers, ablation catheters) (ISIC 2423) (d) Requirement on source of raw material: • pulp industry (from wood) (ISIC 2101) (e) Combination of the above requirements: • crumb rubber industry (ISIC 2519) • industry of raw materials for explosives (ISIC 2411) • industry of explosive materials and its components for industry (ISIC 2429) • medical equipment industry: - Class A (cotton, bandage, stick, IV pole, sanitary napkins, adult diapers, patient's bed, wheelchair) (ISIC 2423) • crops plantation seeding business industry for the following crops in an area of 25 hectares or more, until a certain area as stipulated in the <i>Agriculture Minister Regulation No. 98 of 2013 concerning Guidance of Plantation Business License Jo. Agriculture Minister Regulation No. 21 of 2017 concerning the Second Amendment of Regulation No. 98 of 2013</i>: - <i>jatropha curcas</i>, other sweetener crops, sugar cane, tobacco, textile raw materials and cotton, cashews, coconut palms, oil palms, beverage crops (tea, coffee and cocoa),
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		peppercorns, cloves, essential oil crops, medicinal pharmaceutical crops, other spice crops, rubber and other trees for extraction of sap, and other crops not elsewhere classified (ISIC 0111, 0112, 0113, 0200) • plantation business for the following crops which are integrated with processing industry in an area of 25 hectares or over with a capacity equivalent to or exceeding a certain limit as stipulated in the <i>Agriculture Minister Regulation No. 98 of 2013 concerning Guidance of Plantation Business License</i> Jo. <i>Agriculture Minister Regulation No. 21 of 2017 concerning the Second Amendment of Regulation No. 98 of 2013</i>: - cashews plantation and manufacture of dried cashew nuts and cashew nut shell liquid (CNSL) (ISIC 0113, 1513, 1549); - peppercorns plantation and manufacture of dried white peppercorns and dried black peppercorns (ISIC 0112, 1513, 1549); - jatropha plantation and manufacture of jatropha oil (ISIC 0111, 0112, 2429); - sugar cane and manufacture of cane sugar, sugar cane top and sugar cane bagasse (ISIC 0111, 1542); - tobacco and manufacture of dried tobacco leaves (ISIC 0111, 1600); - cotton plantation and manufacture of cotton fibre (ISIC 0111); - coconut palms plantation and manufacture of coconut oil (ISIC 0113, 1514); - coconut palms plantation and manufacture of copra, fibre, coconut shell charcoal, dust, and nata de coco (ISIC 0113, 1514, 1549); - oil palms plantation and manufacture of palm oil (CPO) (ISIC 0113, 1514, 1549); - coffee plantation and manufacture of coffee bean peeling, cleaning and sorting
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		(ISIC 0113, 1513); - cocoa plantation and manufacture of cocoa bean peeling, cleaning and drying (ISIC 0113, 1513, 1549); - tea and manufacture of black tea or green tea (ISIC 0113, 1513, 1549); - cloves plantation and manufacture of dried clove buds (ISIC 0113, 0140, 1549); - essential oil crops plantation and manufacture of essential oil (ISIC 0111, 01112, 0113, 2429); - rubber plantation and manufacture of sheets, concentrated latex (ISIC 0111, 2519); - plantation of grains other than coffee and cocoa beans and manufacture of grain peeling and cleaning other than coffee beans and cocoa beans (ISIC 1513, 1549) • manufacturer of the following agricultural products with an equal or exceeding a certain limit as stipulated in <i>Agriculture Minister Regulation No. 98 of 2013 concerning Guidance of Plantation Business License Jo. Agriculture Minister Regulation No. 21 of 2017 concerning the Second Amendment of Regulation No. 98 of 2013</i>: - crude vegetable and animal oils (edible oils); copra, fibre, coconut shell charcoal, dust, nata de coco; coconut oil; palm oil; peeling, cleaning, drying and sorting of cocoa beans and coffee beans products; cane sugar, sugar cane top and sugar cane bagasse; black tea or green tea; dried tobacco leaves; rude jatropha oil; cotton fibre and cotton seeds; rubber for sheets, concentrated latex; cashews for dried cashew nut and cashew nut shell liquid (CNSL); peppercorns for dried white peppercorns and dried black peppercorns; dried clove buds (ISIC 0111, 0140, 1513, 1514, 1531, 1542, 1549, 1600, 2429, 2519)
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Source of Measure	• <i>Law No. 25 of 2007 concerning Investment</i> • <i>Law No. 39 of 2014 concerning Plantations</i> • <i>Presidential Regulation of the Republic of Indonesia No. 44 of 2016 concerning Lists of Business Fields That Are Closed to Investment and Business Fields That Are Conditionally Open For Investment</i> • <i>Presidential Decree No. 21 of 2001 concerning Lubricant Supply and Services</i> • <i>Agriculture Minister Regulation No. 98 of 2013 concerning Guidance of Plantation Business License Jo. Agriculture Minister Regulation No. 21 of 2017 concerning the Second Amendment of Regulation No. 98 of 2013</i> • <i>Regulation of the Minister of Health No. 62 of 2017 concerning Medical Devices and Household Health Products Distribution Authorisation</i> • <i>Government Policy</i>
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Sector	:	Agriculture
Subsector	:	-
Industry Classification	:	ISIC (see below)
Level of Government	:	Central
Type of Obligation	:	National Treatment (Article 10.3)
Description of Measure	:	Indonesia reserves the right to adopt or maintain measures for the establishment and operation of foreign investment in the following subsectors: (a) Limitation on Foreign Equity Participation - For each individual crop seeding or seedling business in an area of more than 25 hectares: - staple food crops (rice, corn, soybeans, groundnuts, green beans, including cassava and sweet potatoes) and other food crops not classified elsewhere (ISIC 0111, 0112, 0113, 0200) - seasonal fruits crops, grapes, tropical fruits crops, citrus fruits, apples, pome and stone fruits, berries, annual vegetables, perennial vegetables, drug crops, mushrooms, floriculture crops (ISIC 0111, 0112, 0113, 0200) - For each individual crops cultivation business in an area of more than 25 hectares: - staple food crops (rice, corn, soybeans, groundnuts, green beans and other food crops including cassava and sweet potatoes) (ISIC 0111, 0112, 0113, 0200) - seasonal fruits crops, grapes, tropical fruits crops, citrus fruits, apples, pome and stone fruits, berries, leafy vegetables (cabbages, mustard, scallion, celery), root vegetables (shallot, garlic, potatoes, carrots), fruit-bearing vegetables (tomatoes, cucumber), chili peppers, paprika,

		mushrooms, ornamental plants, non-flower ornamental plants (ISIC 0111, 0112, 0113, 0200, 1513) • Each of the following agriculture related activities: - horticultural research and quality test laboratories, horticultural agro tourism activities, horticultural post-harvest services, retail sale of flower, horticultural development consultants, horticultural landscaping, and horticultural courses services (ISIC 0140, 2022, 7310, 9219, 9241, 9249, 5239, 7414, 7421, 8090, 9241) - research and development on agricultural genetic resources and engineering, and research and development on genetically modified organisms (GMO) product sciences and engineering (genetic engineering) (ISIC 7310) (b) Locational requirement: • Swine breeding and farming with quantity of more than 125 heads (ISIC 0122) (c) Combination of the above requirements: • Plantation business for the following crops without any processing unit in an area of 25 hectares or more, until a certain area as stipulated in the <i>Agriculture Minister Regulation No. 98 of 2013 concerning Guidance of Plantation Business License Jo. Agriculture Minister Regulation No. 21 of 2017 concerning the Second Amendment of Regulation No. 98 of 2013</i>: - <i>jatropha curcas</i>, other sweetener crops, sugar cane, tobacco, textile raw materials and cotton, cashews, coconut palms, oil palms, beverage crops (tea, coffee and cocoa), peppercorns, cloves, essential oil crops, medicinal pharmaceutical crops, other spice crops, rubber and other trees for extraction of sap, and other crops not elsewhere classified (ISIC 0111, 0112, 0113, 0200)
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Source of Measure	• <i>Law No. 39 of 2014 concerning Plantations</i> • <i>Law No. 18 of 2009 concerning Livestock and Animal Health and Law No. 41 of 2014 concerning the Amendment to Law No. 18 of 2009</i> • <i>Law No. 41 of 1999 concerning Forestry</i> • <i>Law No. 5 of 1990 concerning Conservation of Natural Resources and Its Ecosystems</i> • <i>Government Regulation No. 6 of 2007 as amended by Government Regulation No. 3 of 2008 concerning Forest Administration and Compilation of Forest Management Planning and Utilisation of Forest</i> • <i>Government Regulation No. 8 of 1999 concerning Utilization of Plant and Wild Animal Species Government Regulation No. 18 of 2010 concerning Plant Cultivating Business</i> • <i>Government Regulation No. 44 of 1995 concerning Seeding of Plantations</i> • <i>Presidential Regulation of the Republic of Indonesia No. 44 of 2016 concerning Lists of Business Fields That Are Closed to Investment and Business Fields That Are Conditionally Open For Investment</i> • <i>Agriculture Minister Regulation No. 98 of 2013 concerning Guidance of Plantation Business License Jo. Agriculture Minister Regulation No. 21 of 2017 concerning the Second Amendment of Regulation No. 98 of 2013</i> • <i>Agriculture Minister Decree No. 404 of 2002 concerning Guidelines for License and Registration on Livestock Sector</i> • <i>Agriculture Minister Decree No. 348 of 2003 concerning Guidelines for License concerning Horticulture Sector</i> • <i>Agriculture Minister Regulation No 2 of 2009 concerning Guidelines of Veterinary Medical Services</i> • <i>Agriculture Minister Regulation No. 39 of 2010 concerning the Guidelines concerning Business Licensing for Staple Crops Cultivation</i>
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		• Government Policy
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Sector	:	Forestry
Subsector	:	-
Industry Classification	:	ISIC (see below)
Level of Government	:	Central
Type of Obligation	:	National Treatment (Article 10.3)
Description of Measure	:	Indonesia reserves the right to adopt or maintain measures for the establishment and operation of foreign investment in the following subsectors: (a) Limitation on Foreign Equity Participation: (i) hunting business in Hunting Parks and Hunting Blocks (ISIC 0150, 9219, 9241, 9249) (ii) captive breeding of animals and plants, and conservation institutions (ISIC 0150) (b) Partnership requirement: (i) exploitation of forests plants: rattan (ISIC 2010), pine sap (oleo pine resin) (ISIC 0200), bamboo (ISIC 0200), wood rosin or <i>shorea javanica</i> (damar) (ISIC 0200), eaglewood or <i>aquilaria malaccensis</i> (gaharu) (ISIC 0200) (ii) exploitation of shellac, alternative food crops (sagoo), gums, and honeybee farming (ISIC 0200) (iii) production of silkworm cocoon (natural silk farming) (ISIC 0122) (c) Recommendation or specific requirements by relevant authorities: (i) Development of Technology used on plant and wildlife genetics (ISIC 0200)
Source of Measure	:	• Law No. 41 of 1999 concerning Forestry • Law No. 5 of 1990 concerning Conservation of Natural Resources and Its Ecosystems • Government Regulation No. 6 of 2007 as

	<i>amended by Government Regulation No. 3 of 2008 concerning Forest Administration and Compilation of Forest Management Planning and Utilisation of Forest</i> • <i>Government Regulation No. 36 of 2010 concerning Natural Tourism Concession in the National Park Utilisation Zone, Grand Forest Park, Nature Tourism Park</i> • <i>Government Regulation No. 8 of 1999 concerning Utilization of Plant and Wild Animal Species</i> • <i>Presidential Regulation of the Republic of Indonesia No. 44 of 2016 concerning Lists of Business Fields That Are Closed to Investment and Business Fields That Are Conditionally Open For Investment</i> • Government Policy
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Sector	:	All sectors
Subsector	:	-
Level of Government	:	Central and Regional
Type of Obligation	:	- National Treatment (Article 10.3) - Senior Management and Board of Directors (Article 10.7)
Description of Measure	:	Indonesia reserves the right to adopt or maintain any measure relating to the privatisation, corporatisation, commercialisation or divestment of government assets, entities or agencies including: (a) limitations on ownership of assets; (b) transfer or disposal of equity interests or their assets; (c) the right of foreign investors or their investments to control their assets; and (d) nationality of the senior management or members of the board of directors. For greater certainty: (i) where Indonesia transfers an interest in an existing state enterprise to another state enterprise, such transfer shall not be considered to be an initial transfer or disposal of the interest for purposes of this reservation; and (ii) where Indonesia transfers or disposes of an interest in an existing state enterprise in multiple phases, subparagraph (i) shall apply separately to each such phase.
Source of Measure	:	- <i>Law No. 19 of 2003 concerning State Owned Enterprises</i> - <i>Law No. 40 of 2007 concerning Limited Liability Company</i> - Government Policy.

Sector	:	All Sectors
Subsector	:	-
Level of Government	:	Central and Regional
Type of Obligation	:	- National Treatment (Article 10.3) - Senior Management and Board of Directors (Article 10.7)
Description of Measure	:	Indonesia reserves the right to adopt or maintain any measure with respect to special preferences given to micro, small and medium sized enterprises and cooperatives (<i>Usaha Mikro, Kecil, Menengah dan Koperasi</i> or <i>UMKM</i>) in Indonesia ¹⁷ .
Source of Measure	:	• <i>Law No. 20 of 2008 concerning Micro, Small and Medium Enterprises</i> • <i>Law No. 25 of 1992 concerning Cooperatives</i> • Government Policy

¹⁷ For the purposes of this reservation, the term "micro, small, and medium sized enterprises (*UMKM*)" has the meaning as set out in *Law No. 20 of 2008 concerning Micro, Small and Medium Enterprises* and the term "cooperatives" has the meaning as set out in *Law No. 25 of 1992 concerning Cooperatives*.

For illustrative purpose, the criteria for micro, small, and medium enterprises, as stipulated in *Law No. 20 of 2008 concerning Micro, Small and Medium Enterprises*, are as follows:

- (a) Criteria for micro enterprise are as follows:
 - (i) has a net asset, excluding land and building, up to IDR 50 million; or
 - (ii) has an annual sale up to IDR 300 million.
- (b) Criteria for small enterprise are as follows:
 - (i) has a net asset, excluding land and building, more than IDR 50 million up to IDR 500 million; or
 - (ii) has an annual sale of more than IDR 300 million up to IDR 2.5 billion.
- (c) Criteria for medium enterprise are as follows:
 - (i) has a net asset, excluding land and building, more than IDR 500 million up to IDR 10 billion; or
 - (ii) has an annual sale of more than IDR 2.5 billion up to IDR 50 billion.
- (d) The nominal amount as determined in subparagraphs (a), (b), and (c) above may be revised due to the economic condition by the presidential regulation.

Sector	:	Fishery
Subsector	:	-
Industry Classification	:	ISIC (see below)
Level of Government	:	Central
Type of Obligation	:	National Treatment (Article 10.3)
Description of Measure	:	Indonesia reserves the right to adopt or maintain any measure for the establishment and operation of foreign investment in the following subsectors: (a) Partnership requirement: - fish hatcheries and fish rearings: sea fish, brackish water fish, freshwater fish (ISIC 0502) (b) Recommendation or specific requirements by relevant authorities: - cultivation of coral or ornamental coral reef (ISIC 0150)
Source of Measure	:	<i>Law No. 31 of 2004 as amended by Law No. 45 of 2009 concerning Fishery</i> <i>Law No. 5 of 1983 concerning Indonesia's Exclusive Economic Zone</i> <i>Presidential Regulation of the Republic of Indonesia No. 44 of 2016 concerning Lists of Business Fields That Are Closed to Investment and Business Fields That Are Conditionally Open For Investment</i> <i>Regulation of the Minister of Marine Affairs and Fisheries of the Republic of Indonesia No. PER.05/MEN/2008 as amended by No. PER.12/MEN/2009 concerning Capture Fishery Business</i> <i>Regulation of the Minister of Marine Affairs and Fisheries of the Republic of Indonesia No. PER.12/MEN/2007 concerning Aquaculture Business Licensing</i> <i>Regulation of the Minister of Marine Affairs and Fisheries of the Republic of Indonesia No. PER.05/MEN/2009 concerning Aquaculture</i>

	<i>Business Scale</i> • <i>Decree of the Minister of Forestry of the Republic of Indonesia No. 447/Kpts-II/2003 concerning Procedures on Exploitation or Capturing and Distribution of Wild Plants and Animals</i> • Government Policy.
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Sector	:	Energy
Subsector	:	Small Scale Power Plant (Less than 10 megawatt)
Industry Classification	:	ISIC 4010
Level of Government	:	Central
Type of Obligation	:	National Treatment (Article 10.3)
Description of Measure	:	Indonesia reserves the right to adopt or maintain any measure with respect to investment in small scale power plant (less than 10 megawatt).
Source of Measure	:	Government Policy.

Sector	:	All sectors
Subsector	:	-
Level of Government	:	Central
Type of Obligation	:	- National Treatment (Article 10.3) - Most-Favoured-Nation Treatment (Article 10.4) - Prohibition of Performance Requirements (Article 10.6) - Senior Management and Board of Directors (Article 10.7)
Description of Measure	:	Indonesia reserves the right to adopt or maintain any measure relating to sectors other than those recognised or that should have been recognised owing to the circumstances at the date of entry into force of this Agreement by Indonesia. Any sector classified explicitly in ISIC Revision 3 at the date of entry into force of this Agreement should have been recognised by Indonesia at that time.
Source of Measure	:	Government Policy.

Sector	:	All Sectors
Subsector	:	-
Level of Government	:	Central
Type of Obligation	:	- National Treatment (Article 10.3) - Senior Management and Board of Directors (Article 10.7)
Description of Measure	:	Indonesia reserves the right to maintain any existing measure with respect to foreign investors or investments that have been overlooked, provided that the measures involved are already in force at the date of entry into force of this Agreement. When an overlooked measure is identified, it will be promptly inserted into List A of this Schedule. If an overlooked measure referred to in the paragraph above is identified, Indonesia will provide other Parties with details of the measure and the opportunity for consultations at least 90 days before including it in this Schedule. Indonesia will not withdraw a right or benefit from an investor that has made an investment in accordance with its laws and regulations, through the addition of an overlooked measure to this Schedule.
Source of Measure	:	Government Policy

Sector	:	All Sectors
Subsector	:	-
Level of Government	:	Regional
Type of Obligation	:	National Treatment (Article 10.3)
Description of Measure	:	National Treatment (Article 10.3) may not apply to measures relating to the procedural aspect of investment implementation licences or permits ¹⁸ at the provincial level ¹⁹ .
Source of Measure	:	• <i>Law No. 23 of 2014 concerning Local Government</i> • Provincial Regulations • Government Policy

¹⁸ For illustrative purposes, this may include location permit and building permit.

¹⁹ For the purposes of this reservation, provincial level means the regional level of government.

Sector	:	Manufacturing, Agriculture, Fishery, and Forestry
Subsector	:	-
Level of Government	:	Central
Type of Obligation	:	- National Treatment (Article 10.3) - Prohibition of Performance Requirements (Article 10.6) - Senior Management and Board of Directors (Article 10.7)
Description of Measure	:	Indonesia reserves the right to adopt or maintain any measure to address a food security emergency as declared under relevant legislation and only for the duration of the declared food security emergency.
Source of Measure	:	• <i>Article 33 of the 1945 Constitution of the Republic of Indonesia</i> • <i>Law No. 18 of 2012 concerning Foods</i> • <i>Government Regulation No. 17 of 2015 concerning Food Security and Nutrition</i> • Government Policy

Sector	:	All sectors
Subsector	:	-
Level of Government	:	Central
Type of Obligation	:	- National Treatment (Article 10.3) - Most-Favoured-Nation Treatment (Article 10.4) - Prohibition of Performance Requirements (Article 10.6) - Senior Management and Board of Directors (Article 10.7)
Description of Measure	:	Indonesia reserves the right to adopt or maintain any measure with respect to investment in services sectors and subsectors
Source of Measure	:	Government Policy

Sector	:	All Sectors
Subsector	:	-
Level of Government	:	Central
Type of Obligation	:	Prohibition of Performance Requirements (Article 10.6)
Description of Measure	:	Indonesia reserves the right to adopt any future non-conforming measure relating to rate or amount of royalty under a licence contract.
Source of Measure	:	Government Policy

Sector	:	All sectors
Subsector	:	-
Level of Government	:	Central and Regional
Type of Obligation	:	Most-Favoured-Nation Treatment (Article 10.4)
Description of Measure	:	Indonesia reserves the right to adopt or maintain any measure related to more favourable treatment accorded to investors to a non-Party and their investment resulting from: (a) any existing or future preferential agreement or arrangement between or among Member States of ASEAN; (b) any existing agreement in force or signed prior to the date of entry into force of this Agreement; and (c) any international agreement in force or signed after the date of entry into force of this Agreement, involving: (i) aviation; (ii) fisheries; or (iii) maritime matters, including salvage.
Source of Measure	:	Government Policy

Sector	:	Manufacturing, Agriculture, Fishery, and Forestry
Subsector	:	-
Level of Government	:	Central
Type of Obligation	:	- National Treatment (Article 10.3) - Most-Favoured-Nation Treatment (Article 10.4) - Prohibition of Performance Requirements (Article 10.6) - Senior Management and Board of Directors (Article 10.7)
Description of Measure	:	Indonesia reserves the right to adopt or maintain any measure on the following line of business: • cultivation of marijuana (ISIC 0111) • catching of fish species listed in Appendix I to the <i>Convention on International Trade in Endangered Species of Wild Fauna and Flora</i> (CITES) (ISIC 0500) • lifting of valuable artifacts from shipwrecks (ISIC 6303) • utilization (collection) of coral from nature for construction materials, lime, or calcium, aquarium, and souvenirs or jewelry as well as living coral or dead coral (recently dead) coral from nature (ISIC 0500) • chloral alkali making industry under mercury process (ISIC 2411) • industry of pesticide active substances: Dichloro Diphenyl Trichloroethane (DDT), Aldrin, Endrin, Dieldrin, Chlordane, Heptachlor, Mirex, and Toxaphene (ISIC 2421) • industrial chemical industry and Ozone Depleting Substances (BPO): Polychlorinated Biphenyl (PCB), Hexachlorobenzene and Carbon Tetrachloride (CTC), Methyl Chloroform, Methyl Bromide, Trichloro Fluoro Methane (CFC-11), Dichloro Trifluoro Ethane (CFC-12), Trichloro Trifluoro Ethane (CFC-113), Dichloro Tetra Fluoro Ethane (CFC-114), Chloro Pentafluoro Ethane (CFC-115),

		Chloro Trifluoro Methane (CFC-13), Tetrachloro Difluoro Ethane (CFC-112), Pentachloro Fluoro Ethane (CFC-111), Chloro Heptafluoro Propane (CFC-217), Dichloro Hexafluoro Propane (CFC-216), Trichloro Pentafluoro Propane (CFC-215), Tetrachloro Tetrafluoro Propane (CFC-214), Pentachloro Trifluoro Propane (CFC-213), Hexachloro Difluoro Propane (CFC-211), Bromo Chloro Difluoro Methane (Halon-1211), Bromo Trifluoro Methane (Halon 1301), Dibromo Tetrafluoro Ethane (Halon-2402), R-500, R-502 (ISIC 2411) • industry of chemicals listed in Schedule I of the <i>Chemical Weapons Convention</i> as incorporated in Appendix I to <i>Law No. 9 of 2008 concerning Use of Chemicals as Chemical Weapons</i> (ISIC 2411) • alcoholic hard liquor industry (ISIC 1551) • alcoholic beverages industry: wine (ISIC 1552) • malt beverages industry (ISIC 1553)
Source of Measure	:	• <i>Presidential Regulation of the Republic of Indonesia No. 44 of 2016 concerning Lists of Business Fields That Are Closed to Investment and Business Fields That Are Conditionally Open for Investment</i> • Government Policy

Sector	:	All Sectors
Subsector	:	-
Level of Government	:	Central
Type of Obligation	:	- National Treatment (Article 10.3) - Most-Favoured-Nation Treatment (Article 10.4) - Prohibition of Performance Requirements (Article 10.6) - Senior Management and Board of Directors (Article 10.7)
Description of Measure	:	Indonesia reserves the right to adopt or maintain any measure that require private electronic system operators to provide access to electronic system and data for the purpose of law enforcement to ensure compliance with domestic laws and regulations, where that measure is in accordance with due process of law. Notwithstanding paragraph 4 of Article 12.3 (Scope), this reservation does not have the effect of exempting Indonesia from its obligations under Article 12.14 (Location of Computing Facilities) and Article 12.15 (Cross-border Transfer of Information by Electronic Means).
Source of Measure	:	• <i>Government Regulation No. 71 of 2019 concerning the Organization of Electronic Systems and Transactions</i> • Government Policy