

## FOREIGN INVESTMENT APPROVAL & LAND ALLOCATION

Application of the foreign investment (widely known as *Perusahaan Modal Asing*, PMA) will be submitted to the Batam Industrial Development Authority (BIDA) and will be approved within twenty working days, due to the more simplified process in the PMA application in Batam. Land Allocation can also be obtained from BIDA following the approval of foreign investment, if necessary.

Streamlined procedure for foreign investment is as follows:

- a. Official request to BIDA, through a cover letter with company's letterhead, to request approval of the foreign investment addressed to :

Chairman  
Batam Industrial Development Authority  
BIDA Building  
Batam Centre, Batam 29400  
Indonesia

with a Cc copy to:

Head of Sub Directorate  
Investment Coordinating Board (BKPM)  
BIDA Building, Level 3  
Batam Centre, Batam 29400  
Indonesia

In order to expedite the process, provide complete documents in two sets (one set for the Chairman and one set for BKPM) of the following:

- Completed form of Model I / PMA Application (attached). Please note that stamp duty of Rp. 6,000 has to be affixed on the form to provide legal

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documentation. If the participant (s) are represented by another party, it may be signed by the Power of Attorney.

- Documentation or relevant documents of the current (applying) company or individuals, for example:
    - ❑ For foreign participant (s): Articles of Association of the company in English or Indonesian, or a copy of valid passport for foreign individual
    - ❑ For foreign investment (s) with (an) Indonesian incorporated company (ies) (PMA): Articles of Association of the company and any amendment (s); as well as Tax Registration Code Number (*Nomor Pokok Wajib Pajak*, NPWP)
    - ❑ For Indonesian participant: Articles of Association of the company and any amendment (s) or Identity Card for individual; as well as Tax Registration Code Number (NPWP).
  - Flowchart of the production process and raw material requirement for processing industry; or explanation of business activities for service industry;
- b. Within ten days of submitting your completed document, you will obtain a Recommendation Letter from the Chairman of BIDA to the Chairman of Investment Coordinating Board Jakarta. This letter will then be submitted to the BKPM Jakarta in order to obtain the Official Approval from BKPM, signed by its Chairman.
- c. In order to have an Indonesian incorporated company, obtain services from a local Notary Office in Batam for Company's Articles of Association (Establishment) and its registration to the Ministry of Justice in Jakarta, as well as Tax Registration Code Number (NPWP).

In the mean time, after obtaining a Recommendation Letter from the Chairman of BIDA to the Chairman of BKPM, company can already start some of the initial plans, such as:

- ❑ Land application
- ❑ Allocation for Expatriates (RPTKA)
- ❑ Import permit for machinery and equipment

For companies operating through the industrial parks, the land allocation will not be needed, since it would already be part of the package offered.

Land allocation can be obtained from BIDA and applicant needs to supply the following materials for the approval:

- Land application

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- Proposal for land use

When the application is approved, BIDA will supply the applicant with the following documents:

- Principal permit
- Invoice for land lease (See Appendix C for land lease details)
- Land allocation documents (land lease agreement and land allocation decree)
- Land allocation permit

### **International Guarantee Agreement**

Foreign investment in Indonesia has been guaranteed through International Guarantee Agreement with 54 countries in order to cover compensation in case of nationalization or expropriation, damages or losses caused by incidents of war, revolution or insurrection, and payments for any approved remittance pursuant to the investment in case of non-convertibility of the currency of the host country.

Indonesia has concluded bilateral agreements concerning these guarantees with:

- |              |                         |                  |
|--------------|-------------------------|------------------|
| - Algeria    | - Jamaica               | - Spain          |
| - Argentina  | - Jordan                | - Sri Lanka      |
| - Australia  | - Korea (North& South)) | - Sudan          |
| - Bangladesh | - Kyrgyzstan            | - Suriname       |
| - Belgium    | - Laos                  | - Syria          |
| - Cambodia   | - Malaysia              | - Sweden         |
| - Czech      | - Morocco               | - Switzerland    |
| - China      | - Mauritius             | - Thailand       |
| - Chile      | - Mongolia              | - Turkmenistan   |
| - Cuba       | - Mozambique            | - Tunisia        |
| - Denmark    | - Netherlands           | - Turkey         |
| - Egypt      | - Norway                | - Ukraine        |
| - Finland    | - Pakistan              | - United Kingdom |
| - France     | - Poland                | - Uzbekistan     |
| - Germany    | - Qatar                 | - Vietnam        |
| - Hungary    | - Rumania               | - Yemen          |
| - India      | - Singapore             | - Zimbabwe       |
| - Italy      | - Slovakia              |                  |

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INVESTMENT APPLICATION

2 (two) copies submitted to BKPM or BIDA

Lampiran 2

**SK Meninves/Kepala BKPM  
No. 38/SK/1999  
MODEL I / PMA**

INVESTMENT APPLICATION  
UNDER THE FOREIGN INVESTMENT LAW

This investment application under the Foreign Investment Law No. 1/1967 and Law No. 11./1970 is herewith submitted to the Government of the Republic of Indonesia through :

The Investment Coordinating Board (BKPM)

Batam Industrial Development Authority (BIDA)

**I .DESCRIPTION OF THE PARTICIPANTS.**

**A. Foreign Participant (s)**

1. Name of company (ies) or individuals : .....
2. Main line of business : .....
3. Address (incl. phone, telex and fax number) : .....

**B. Indonesian Participant (s)**

1. Name (company, cooperative or individuals) : .....
2. Tax Registration Code Number (NPWP) : .....
3. -Main line of business : .....
- Investment status : PMA, PMDN or Non PMA / PMDN
4. Address (incl. phone, telex and fax number) : .....

**II. DESCRIPTION OF THE PROPOSED PMA COMPANY.**

1. Name of company : .....
2. Main Line of business : .....
3. Location of the project : .....
- a. Regency : Batam.
- b. Province : Riau.
4. Annual production : .....

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NAME OF PRODUCT(S)/ SERVICES	DESIGNED CAPACITY		REMARKS
	UNIT	CAPACITY	
.....	.....	.....	..... ...
.....	.....	.....	..... ...
.....	.....	.....	..... ...

5. ANNUAL SALES OF PRODUCTS

Name of Product (s)/ Services			SALES	INTERNAL USE
.....	.....	.....	.....	..... .....
.....	.....	.....	.....	..... .....
.....	.....	.....	.....	..... .....
.....	.....	.....	.....	..... .....

Estimated total export value : US \$ -

6. LAND AREA REQUIRED : ..... sq M/ Ha

7. EMPLOYMENT.

Expatriate      Indonesian

- a. Commissioner (s) : ..... .....
- b. Director (s) : ..... .....
- c. Professional (s) - Manager (s) : ..... .....
- Expert (s) : ..... .....
- d. Worker (s) :     X     .....

Total : ..... .....

Note: Expatriate professionals position should be specified.

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8. ALLOCATION OF INVESTMENT FUNDS.

- a. Fixed Capital.  
 - Land & land development : US.\$ .....  
 - Building : US.\$ .....  
 - Machinery, equipment & spare parts : US.\$ .....  
 - Others : US.\$ .....  
 Sub Total : US.\$ .....
- b. Working Capital (First 3 months Production/ Operation) : US.\$ .....
- Total : US.\$ .....

Note: If more than one location/line of businesses, Investment Fund should be listed for each location and / or line of business.

9. SOURCE OF INVESTMENT FUNDS.

- a. Equity : US.\$ .....  
 b. Loan : US.\$ .....  
 Total : US.\$ .....

10. EQUITY CAPITAL.

- a. Authorized capital : US.\$ .....  
 b. Issued capital : US.\$ .....  
 c. Paid-up capital : US.\$ .....

Note: Issued capital should be equal to equity.

11. SHAREHOLDING.

a.Foreign participant (s)	US.\$	%
.....	.....	.....
.....	.....	.....
.....	.....	.....
Sub Total		
b.Indonesian Participant (s)	US\$	%
.....	.....	.....
.....	.....	.....
.....	.....	.....
Sub Total	.....	.....
c.Total (a+b)	US\$ .....	100 %

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12. IMPLEMENTATION TO BE COMPLETED WITHIN : .....months, from the date of the issuance of the Government's Approvals.

**III. DECLARATION.**

1. We acknowledge that the company (ies) shall be obliged to take preventive measures against any pollution resulting from the operation of our investment project, at our joint venture company's own expense (s), and in conformity with the applicable laws and regulations.
2. This application has been properly and duly executed and we the (participants) are responsible for its accuracy, correctness and completeness, including all data and documents attached here to.

.....20 ...

Foreign Applicant (s)

Indonesian Applicant (s)

Stamp duty Rp. 6,000,-

( ..... )  
Name, Signature

( ..... )  
Name, Signature and Stamp.

## TAXATION

Since Batam operates as a Free Trade Zone, it is exempted from import/export tax, as well as Value Added Tax (VAT) on processing goods for export purposes and consumption goods. Sales tax on luxury goods is also exempted from the island. Besides these basic facilities, Batam also offers an investment allowance with deductions for corporate income tax for certain industries.

### 1. Income Tax (Personal and Corporate Income Tax)

Rate of personal and corporate income tax are required from individuals or institutions based on the income obtained in one tax (fiscal) year (Law *Undang-Undang* No. 17 Year 2000)

Rates on personal income tax are as follows:

- |   |   |     |
|---|---|-----|
| • Income of up to Rp 25,000,000 / year                    | : | 5%  |
| • Income from Rp 25,000,000.- to Rp 50,000,000.- / year   | : | 10% |
| • Income from Rp 50,000,000.- to Rp 100,000,000.- / year  | : | 15% |
| • Income from Rp 100,000,000.- to Rp 200,000,000.- / year | : | 25% |
| • Income over Rp 200,000,000.- / year                     | : | 35% |

Expatriates are subject to flat rate of 20% of gross income on all Indonesian source Income.

For calculation of taxable personal income, the annual net income is deducted with the Non-taxable income as follow:

	Rp
Single	2,880,000
Married	4,320,000
Additional dependents (max. of 3)	1,440,000
With self employed or working spouse	2,880,000



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Rates on corporate income tax rate are as follows:

- Income of up to Rp 50,000,000.- / year : 10%
- Income from Rp 50,000,000.- to Rp 100,000,000.- / year : 15%
- Income over Rp 100,000,000.- / year : 30%

**2. Investment Allowance**

Investment Allowance in the form of income tax facility is given to selected business areas in the economic activity sectors obtaining high priorities in the national scale, particularly in the framework of boosting exports as well as given to selected remote regions, which are potentially worthy of development but with less adequate infrastructure (Government Regulation *Peraturan Pemerintah* No. 148 Year 2000, December 23, 2000 and The Decree of the Minister of Finance No. 571/KMK.04/2000).

Industries in Batam will not qualify for the second requirements due to the modern and adequate infrastructure already in place. However, some types of Industries in Batam may benefit from this incentives after case-by-case evaluation by the Ministry of Finance (The Decree of the Minister of Finance No. 571/KMK.04/2000).

Based on the Regulation, the income tax facility shall be in the forms of:

- Reduction in the net income by 30% (thirty percent) of the total investment made.
- Accelerated depreciation and amortization as follows:

	Asset Group	Period of Benefit Becomes	Tariffs for Depreciation and Amortization on the basis of the method of	
			a straight line	declining balance
<b>I.</b>	<b>Non-Buildings or Intangible Value</b>			
	• Group I	2 years	50%	100%
	• Group II	4 years	25%	50%
	• Group III	8 years	12.5%	25%
	• Group IV	10 years	10%	20%
<b>II.</b>	<b>Buildings:</b>			
	• Permanent	10 years	10%	
	• Non-permanent	5 years	20%	

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- A longer period of compensation for losses for 5 (five) years, with additional years for companies with certain requirements, such as:
  - » An additional 1-year period, if investment is made in business areas considered to be high-risk
  - » An additional 1-year period, if investment needs large investment or spending for economic and social infrastructure in the business location.
  - » An additional 1-year period, if Indonesian employees are employed in the management or staff or recruited as workers in excess of a particular number
  
- Imposition of income tax on dividends paid to non-resident tax subjects at 10% or a lower rate pursuant to the Double Taxation Avoidance Agreement in force.

**3. Double Taxation Avoidance Agreements**

In order to avoid incidental double taxation on certain income such as profits, dividends, interests, fees and royalties, the Government of Indonesia has signed agreements with 51 countries. Some of the details of Double Taxation Avoidance Agreements are listed as follows:

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COUNTRY	Interest	Royalties	Dividends		Permanent Establishment	
			Direct Investment	Portfolio	After-tax Profit Withholding Rate	Time Test for Services
Australia	0 or 10	10 or 15	15	15	15	120 days
Austria	0 or 10	10	10	15	12	3 months
Belgium	10 or 15	10	15	15	15	6 months or 183 days
Bulgaria	10	10	15	15	15	6 months or 120 days
Canada	0 or 10	10	10	15	15	120 days
Czech	0 or 12.5	12.5	10	15	12.5	3 or 6 months
Denmark	0 or 10	15	10	20	15	3 months
Finland	0 or 10	10 or 15	10	15	15	3 or 6 months
France	0,10 or 15	10	10	15	10	183 days
Germany	0 or 10	7.5, 10 or 15	10	15	10	6 months
Hungary	15	15	15	15	20	3 or 4 months
India	0 or 10	15	10	15	10	91 or 183 days
Italy	0 or 10	10 or 15	10	15	12	3 or 6 months
Japan	0 or 10	10	10	15	10	6 months
Jordan	0 or 10	10	10	10	20	1 or 6 months
Kuwait	0 or 5	20	10	10	10	3 months
Luxembourg	0 or 10	10 or 12.5	10	15	10	5 months
Malaysia	10 or 15	15	15	15	12.5	3 or 6 months
Mauritius	0 or 10	10	5	10	10	4 or 6 months
Netherlands	0 or 10	10	10	15	9	3 or 6 months
New Zealand	0 or 10	15	15	15	20	3 or 6 months
Norway	0 or 10	10 or 15	15	15	15	3 or 6 months
Pakistan	10 or 15	15	10	15	10	3 months
Philippines	0, 10 or 15	15	15	20	20	6 months or 183 days
Poland	0 or 10	15	10	25	10	120 or 183 days
Singapore	0 or 10	15	10	15	15	90 or 183 days
Sri Lanka	10 or 15	15	15	15	20	90 days
South Korea	0 or 10	15	10	15	10	3 or 6 months
South Africa	0 or 10	10	10	15	10	6 months or 120 days
Sweden	0 or 10	10 or 15	10	15	15	3 or 6 months
Syria	0 or 10	20 or 15	10	10	10	183 days or 6 months
Switzerland	0 or 10	12.5	10	15	10	183 days
Taiwan	0 or 10	10	10	10	5	6 months or 120 days
Thailand	10 or 15	10 or 15	15	15	20	6 months or 183 days
Tunisia	0 or 12	15	12	12	12	3 months
UK	0 or 10	10 or 15	10	15	10	183 or 91 days
Ukraine	0 or 10	10	10	15	10	4 or 6 months
USA	0 or 10	10	10	15	10	120 days
Uzbekistan	0 or 10	10	10	10	10	3 or 6 months

Notes:

1. *Interest*: Where there are two rates, the higher applies to recipients to certain specified industries or to interest on certain bonds. Zero rate applies to government obligations. Please see respective tax treaties for details.
2. *Royalties*: Variation in rates relates to different rights & information licensed. Please see respective treaties for details.
3. *Time test*: Where there are two periods, one usually applies to construction and other installation project, the other to other services.

Source: Arthur Andersen's Asia and the Pacific...A Tax Tour 2000

The Double Taxation Avoidance Agreement of the Republic of Indonesia and the Republic of Singapore has been ratified on January 25, 1991, of which all income taxes from citizens of both countries will subject to the agreement as follows:

- Singaporean expatriates in Indonesia will only pay taxes in Indonesia if they are in Indonesia more than 183 days (but no less than 90 days) within 12-month period; or

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they are employed by Indonesian nationals; or their salaries are paid by a legal entity in Indonesia.

**4. Land & Building Tax**

- Land and building tax will be payable annually on land and buildings
- The effective rates are based on nominal value of property, evaluated by the Ministry of Finance:
  - For value less than Rp. 8 million: exempted
  - For value from Rp. 8 million up to Rp 1 billion: 0.1% of property value
  - For value more than Rp. 1 billion: 0.2% of property value

**5. Stamp Duty**

- Stamp duty is payable on legal documents, such as letters of agreement, contracts, notarial deed, land deed, cheques, commercial papers, and invoices.
- Value of transaction under Rp. 250,000; no stamp duty required.
- Between Rp. 250,000 and Rp. 500,000; stamp duty with the value of Rp. 3,000 will be applied.
- Above Rp. 500,000; stamp duty with the value of Rp. 6,000 will be applied.

## LAND LEASE & UTILITIES TARIFFS

Land lease in Batam is usually given for a period of 30 years, and extendable up to 80 years. Payment can be done in installments with a minimum of 5-year payment. Tariffs of water and electricity are also very competitive.

### 1. Land Lease

Rates (Rp/m<sup>2</sup>) vary according to land use and location of the land. Complete reference to the land lease rate in Batam is attached.

For industrial purposes, for example, the land lease for 30 years is as follows:

Kabil	Rp. 32,250 /m <sup>2</sup>
Tanjung Uncang	Rp. 22,500 /m <sup>2</sup>

### 2. Electricity

Electricity in Batam is supplied by both private and public sector. For public sectors, the service is provided by the State-owned Electricity Company (*Perusahaan Listrik Negara*, PLN) with the following rates:

Capacity of 15 kVA to 200 kVA	Rp. 534/kWh
Capacity of 200 kVA or more	Rp. 509/kWh (off-peak hours) Rp. 565/kWh (peak hours)

### 3. Water

Clean water in Batam is supplied from six water reservoirs at 1,200 liters/second, and operated by PT Adhya Tirta Batam, a joint venture company with Biwater International (UK).

Rates (Rp/m<sup>3</sup>) vary according to water consumption volume and types of usage, i.e. public facilities, domestic, small and large trade, small and large industry. Large industry will be applied the same rate on any consumption volume, with the applied rate Rp. 9250/m<sup>3</sup>.

## LABOUR

Up to December 2002, Batam has a population of 533,521 people, with 170,192 formal workers and estimated 75,000 informal workers. Skilled workers have become more abundant in Batam; but at the same time, it is also very easy to recruit skilled workers from other parts of Indonesia. Some public and private labour agencies in Batam can assist companies in recruiting skilled workers to start production immediately.

### 1. Minimum Wage

Wages of unskilled workers are regulated by the government and reviewed annually, with variations in each region or district. Standard of minimum wage in Batam is reviewed by a tripartite meeting, consists of related government offices, private sectors represented by Batam Chambers of Commerce & Industry (KADIN), Association of Entrepreneurs (APINDO), as well as labour unions.

Effective from January 1, 2003, the minimum wage is stipulated by Decree of Riau Governor No. KPTS.553.d/XI/2002 and No. KPTS.553.e/XI/2002 dated November 23, 2002, which establishes the following requirements:

- a. Rp. 627,000.- for Heavy Industry
- b. Rp. 595,000.- for Tourism Industry
- c. Rp. 555,000.- General Minimum Wage of Batam

Additional to the basic salary, the company is obliged to provide payments for :

- Income tax
- Insurance (retirement, work-related accident, health, and life insurance)
- Medical expenses not covered by the health insurance
- An annual *Hari Raya* bonus of at least 1 (one) month basic salary

There are other benefits that are commonly provided by companies in Batam:

- Housing allowance
- Transport and meal allowances
- Monthly bonus based on productivity
- Attendance allowance

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### 2. Work Hours

Basic working hours are not more than 40 hours per week.

- 8 hours a day if working 5 days a week (Monday to Friday)
- 7 hours a day if working 6 days a week (Monday to Friday 7 hours and 5 hours on Saturday)

For each hour exceeding the above, overtime is payable with the multiplication of the hourly rate as follows:

- Mon – Sat : 1.5 (first hour), 2 (after one hour)
- Sun & holidays : 2 (normal working hours), 3 (first hour), 4 (after one hour)

Hourly rate of employees is based on the monthly basic salary divided by 173 average working hours/month.

Rest periods due to employees are as follows:

- 1 day off within a week if working 7 hours a day (6 workdays/week)
- 2 days off within a week if working 8 hours a day (5 workdays/week)

### 3. Leave

#### a. Public Holidays

Public Holidays or National Days set out by the Government of Indonesia, ranging from 11 to 14 days annually.

#### b. Annual Leave

Annual leave is categorized as paid leave with the total of:

- 12 days if working 6 days a week
- 10 days if working 5 days a week

In addition to the leave, for the workers recruited from outside Batam, it is a common practice to add two more days to cover traveling time.

#### c. Other Paid Leaves

- *Sick Leave*; Sick leave is granted based on medical certificate (advice) from company's appointed medical doctor (or hospital), or any medical doctor (or hospital) if the company does not appoint one.

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- *Maternity Leave* for female workers, 3 months with 1.5-month leave before and 1.5-month leave after the delivery.
- *Parental Leave* for male workers, 2 day to attend and assist wife's delivery.
- *Compassionate Leave*; 2 days when immediate family is involved, such as parents, parents-in-law, children, and spouse.
- *Matrimonial Leave*; 3 days for employee's wedding; 2 day for employee's child's wedding.
- *Circumcision / Baptism Leave*; 2 day for employee's child's circumcision or baptism.

#### **4. Rules and Conditions**

- Company will establish its own working rules, based on regulations from the Ministry of Manpower.
- Working conditions should be safe and healthy.

#### **5. Termination**

There are four types of termination of employer-employee relations:

- a. *Resignation*; If an employee resigns on his own will, the employee will be entitled to receive payment for length-of-service pay and other compensation as outlined below.
- b. *Retirement*; If company does not have a retirement program, the company has to give severance pay (twice the amount), length-of-service pay and other compensation as outlined below.
- c. *Death*; if an employee passes away, the company has to give the beneficiary severance pay (twice the amount), length-of-service pay and other compensation as outlined below.
- d. *Termination*;
  - If the termination is not caused by employee's negligence or mistakes, the employer has to give severance pay (twice the amount), length-of-service pay and other compensation as outlined below.
  - If the termination is caused by closure due to bankruptcy (with public accountant's approval on the last two-year financial statement), the company has to give severance pay, length-of-service pay, and other compensation as outlined below.



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- If the termination is caused by retrenchment or any closure other than bankruptcy, the company has to pay severance pay (twice the amount), length-of service-pay and other compensation as outlined below.

## 6. Compensation on Termination

- **Severance Pay:** Severance pay is due according to the length of time the employee was with the company, as follows: less than 1 year (1-month salary), between 1 year to 2 years (2-month salary), between 2 years to 3 years (3-month salary), between 3 years to 4 years (4-month salary), between 4 years to 5 years (5-month salary), between 5 years to 6 years (6-month salary), between 6 years to 7 years (7-months salary), between 7 years to 8 years (8-months salary) and more than 8 years (9-month salary).
- **Length-of-Service Pay:** Length-of-service pay is due according to the length of time the employee was with the company, as follows: between 3 years to 6 years (2-month salary), between 6 years to 9 years (3-month salary), between 9 years to 12 years (4-month salary), between 12 years to 15 years (5-month salary), between 15 years to 18 years (6-month salary), between 18 years to 21 years (7-month salary), between 21 years to 24 years (8-month salary), and more than 24 years (10-month salary).
- **Other Compensation:** compensation based on the conversion of the annual leave not taken (if any), transportation expenses to employee's place of recruitment, with the addition of housing and medical compensation at 15% of total severance pay and / or length of service pay.

## 7. Social Security and Insurance

JAMSOSTEK, the State-owned Workers Social Insurance Program, offers a wide range of services and insurance:

- a. *Retirement Insurance;* with premium worth 5.7% of employee's basic salary; of which 3.7% payable by company and 2% payable from employee's salary.
- b. *Work-related Accident Insurance;* with premium worth 0.24% to 1.74% of employee's basic salary, depending on the risk involved in each sector of industry, payable in full by company. For example, shipyard industry 1.27%; furniture production 0.89%; and mining 1.74%.

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- c. *Life Insurance*; with premium worth 0.3% of employee's basic salary; payable in full by company.
- d. *Health Insurance*; with premium worth 3% for single employee, and 6% for married employee, payable in full by company.

Company is obliged to register and include all employees in the retirement, work-related accident, and life insurance with JAMSOSTEK. For health insurance, company may choose to participate in JAMSOSTEK or other insurance companies with at least the same privileges. Some companies have cooperation with hospitals or health clinics for all employees' medical treatment.

## 8. References

For complete reference on labour issues in Indonesia, please refer to "**Labour Legislation in Indonesia**," an official publication by the Ministry of Manpower, Republic of Indonesia, which consists of four volumes, as follows:

- Volume 1, covers regulations regarding work requirement, work relations and manpower relations.
- Volume 2, covers regulations regarding work safety as well as health and social insurance.
- Volume 3, covers regulations regarding manpower formation, replacement and ratified ILO convention.
- Volume 4, covers recent and latest regulations, as supplement to the other three volumes.

Some of the regulations for references:

- *Keputusan Menteri Tenaga Kerja* Decree of the Minister of Manpower No. KEP-150/MEN/2000, issued on 20 June 2000; regarding Settlement of Termination and Guidelines of Severance Pay, Length-of-Service Pay, and Other Compensation.
- *Peraturan Menteri Tenaga Kerja* Regulations of the Minister of Manpower No. PER-01/MEN/1999, issued on 12 January 1999; regarding Minimum Wage
- *Undang-Undang* Law No. 21 Year 2000, issued on 4 August 2000, regarding Labour Unions
- *Peraturan Menteri Tenaga Kerja* Regulations of the Minister of Manpower No. PER-02/MEN/1993, issued on 15 February 1993; regarding Working Contract

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- *Peraturan Menteri Tenaga Kerja* Regulations of the Minister of Manpower No. PER-02/MEN/1978, issued on 3 March 1978, regarding Company Work Regulations and Negotiation for Working Contract; followed by *Surat Edaran Dirjen Binawas* Distribution Letter the Director General for Work Relations and Supervision of Work Norms No. SE.4/M/BW/1989 issued on 22 May 1989 on the Legalization of Company's Work Regulations.

# List of Contacts

## **Batam Industrial Development Authority**

Batam Centre, Batam 29400, INDONESIA  
<http://www.batam.go.id/>  
Tel. (62-778) 462047, 462048  
Fax. (62-778) 462240, 462256

1. *Mr. Ismeth Abdullah, Chairman*  
**Batam Industrial Development Authority**  
BIDA Building, 8<sup>th</sup> Floor  
Direct Tel. (62-778) 462273, 462001  
Direct Fax. (62-778) 462258
2. *Ir. Moch. Prijanto, MM*  
*Deputy Chairman for Administration & Planning*  
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Direct Tel. (62-778) 462262  
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3. *Mr. Benyamin Balukh*  
*Deputy Chairman for Operation*  
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Direct Fax. (62-778) 462 288
4. *Mr. Mustofa Widjaja*  
*Deputy Chairman for Supervision & Internal Control*  
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Direct Tel. (62-778) 464 024  
Direct Fax. (62-778) 462192
5. *Mr. Donald Panjaitan, Director Business Development*  
**Batam Industrial Development Authority**  
BIDA Building, 3<sup>rd</sup> Floor
6. *Mr. Agus Hartanto, Director Land Management*  
**Batam Industrial Development Authority**  
BIDA Building, 1<sup>st</sup> Floor
7. *Mr. Fitrah Kamaruddin, Director Settlement, Labour and Social Development*  
**Batam Industrial Development Authority**  
BIDA Building, 6<sup>th</sup> Floor
8. *Mr. Joki Muchajar, Head Planning Bureau*  
**Batam Industrial Development Authority**  
BIDA Building, 5<sup>th</sup> Floor
8. *Mr. Fathullah, Head Marketing and Public Relations Bureau*  
**Batam Industrial Development Authority**  
Marketing Centre, BIDA Building
9. *Mr. Ikmal Lukman, Head of Sub Directorate*  
**BIDA Investment Coordinating Board (BKPM)**  
BIDA Building, 3<sup>rd</sup> Floor
10. *Mr. Soenaryo P, Head Jakarta Representative Office*  
Jl. D.I Panjaitan Kav. 24, Jakarta 13410  
Tel. (62-21) 8580009 - 11  
Fax. (62-21) 8580038



**BIDA Office, Batam Centre**

## **BIDA Representative Office**

10. *Mr. Soenaryo P, Head Jakarta Representative Office*  
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Tel. (62-21) 8580009 - 11  
Fax. (62-21) 8580038

11. *Ms. Gloria Tan*  
Singapore BIDA Liaison Officer  
400 Orchard Towers # 15 - 05  
Singapore 238875  
Tel. (65) 67343411  
Fax. (65) 62359959, 67341817
12. *Mr. Hajime Kinoshita*  
Japan BIDA Liaison Officer  
ATC Building, ITM 5-M4  
1-10, Nanko Kita 2-chome  
Suminoe-ku, Osaka 559-0034 , Japan  
Tel. (81-6) 6614 8920  
Fax. (81-6) 6614 8921

### Government Institutions

13. **Investment Coordinating Board (BKPM)**  
Jl. Gatot Subroto No. 44  
Jakarta 12140  
Tel. (62-21) 525 2008, 525 5270  
Fax. (62-21) 525 4945
14. **Batam Tax Office**  
Jl. Kuda Laut  
Batu Ampar, Batam  
Tel. (62-778) 427708, 450 231  
Fax. (62-778) 427708
15. **Batam Labour Office**  
Jl. Sekupang, Batam  
Tel. (62-778) 321 625  
Fax. (62-778) 322 625
16. **Batam Immigration Office**  
Jl. Engku Putri  
Batam Centre, Batam  
Tel. (62-778) 462004, 462067  
Fax. (62-778) 462004
17. **Batam Customs Office**  
Jl. Kuda Laut  
Batu Ampar, Batam  
Tel. (62-778) 458149, 458818
18. *Mr. Poltak Panjaitan, Head*  
**Batam Port Authority**  
Jl. Lumba Lumba No. 5  
Batu Ampar, Batam  
Tel. (62-778) 430996, 412373
19. *Mr. Imam Soelvan, Head*  
**Hang Nadim International Airport**  
Jl. Hang Kesturi  
Batu Besar, Batam  
Tel. (62-778) 711145  
Fax. (62-778) 711114

### Business Associations

20. **Batam Chamber of Commerce**  
Graha KADINDA Blg  
Batam Centre, Batam  
Tel. (62-778) 467039  
Fax. (62-778) 332535  
e-mail : [kadinbatam@eworlds-biz.com](mailto:kadinbatam@eworlds-biz.com)  
website : [www.kadinbatam.eworlds-biz.com](http://www.kadinbatam.eworlds-biz.com)
21. **Batam Singapore Club**  
Jl. Yos Sudarso  
Batu Ampar, Batam 29432  
Tel. (62-778) 412266  
Fax. (62-778) 412748
22. **Batam Japanese Club**  
Mr. Shudo Kazuhiro, Chairman  
C/o Chiyoda Electronic Indonesia  
Batam  
Tel. (62-770) 6112110
23. **Batam Shipyard Associations**  
C/o PT Nan Indah Mutiara  
Jl. Brigjen Katamso,  
Bundaran Tg Uncang, Batam  
Tel. (0778) 391960  
Fax. (0778) 391961



**Batam Immigration Office**



**Hang Nadim International Airport**