

Client Alert

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Alert: Jokowi Reboosting Ease of Doing Business Efforts

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President Jokowi is reboosting efforts to make doing business in Indonesia easier through the issue of Presidential Instruction No. 7 of 2019 on the Acceleration of Ease of Doing Business at the end of November.

The instruction is addressed to all ministries, the Cabinet Secretary, the Chief of Indonesian Police, the Attorney General, and all chairmen of non-ministerial agencies. The instruction appoints the Capital Investment Coordinating Board (BKPM) as the coordinator. The aim is to simplify procedures and requirements, and accelerate the issuance of business licenses. BKPM will be the authority that issues all business licenses and investment facilities (delegated from all ministries and non-ministerial agencies).

We heard that BKPM is currently focusing on executing the instruction. It remains to be seen how this will be done. It is still unclear whether the current licensing system (online single submission (OSS) system), which was introduced in the middle of last year, will be changed again. But the new version of the OSS system (version 1.1), which was meant to be launched in early November, has not yet been launched.

Another issue is that many of the difficulties faced by businesses occur at the regional level, for example when trying to obtain local licenses. But the instruction is only addressed to national level officials and agencies. It remains to be seen how the coordination will be done with regional (provincial and the next lower level) authorities.

We hope that there will be many changes to the licensing regime in the near future to make it simpler at both national and regional levels.



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