

# Indonesian Omnibus Law: Series of Articles

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The Job Creation Act, also known as the Indonesian Omnibus Law, is a comprehensive law that governs and amends many provisions in various sectors. Signed by President Joko Widodo on 2 November 2020, the Job Creation Act was drafted to uphold the goal of advancing Indonesia, to boost national economic growth by increasing investment, to make doing business in Indonesia easier, and to broaden the job opportunities of Indonesian workers.

Dentons HPRP is conducting a series of studies on each provision and its implementing regulations. In this section, we examine the results of the studies on policies in every business sector.

## **Tax treatment of income tax to support ease of doing business**

22/04/2021 - Job Creation Act has amended several laws including the tax laws. The amendment in the tax laws, specifically the Income Tax Act Law, provides a relaxation of income tax to support ease of doing business.

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## **Job Creation Act: Implementing Regulation on Agricultural (Plantation) Sector**

20/04/2021 - Plantation sector has a significant impact on the state income in Indonesia. Considering the situation, the Indonesian government has provided some facilitations and regulations to attract domestic or foreign investors to engaging in this business in Indonesia.

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## **Government's Further Action after Job Creation Act: GR 25/2021, which Impacts Electricity Business**

14/04/2021 - As one of the implementing regulations of the Job Creation Act, the Indonesian government has recently enacted Government Regulation concerning the Implementation in the Energy and Mineral Resources Sector.

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## **Highlights on Distribution of Goods under Implementing Regulation of the Job Creation Act**

8/04/2021 - The Indonesian government has recently enacted Government Regulation concerning the Operation of the Trade Sector as one of the implementing regulations of the Job Creation Act. The new regulation will bring new opportunities for foreign investment companies in the retail sector.

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## **The Post Job Creation Act (Omnibus Law) Procurement of Goods/Services Regulation**

23/03/21 - Following the issuance of the Job Creation Act, the Indonesian government has issued implementing regulations, including a Presidential Regulation concerning Government Procurement of Goods/Services.

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## **Omnibus Law: Implementing Regulations to Boost The Growth of Local MSMEs**

19/03/21 - The Indonesian Government has issued several Government Regulations related to Micro, Small and Medium Enterprises (MSMEs) as an implementing regulation of the Job Creation Act.

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## **The implementation of Risk-Based Business Licensing**

15/03/21 - The objectives of the Job Creation Act include simplifying the provisions on business licensing in Indonesia and shifting the approach to business licensing based on the risk category for each business activity. Recently, the Government of Indonesia enacted a Government Regulation concerning the Implementation of Risk-Based Business Licensing.

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## **The impact of the enactment of Omnibus Law's implementing regulation on businesses in the Aviation sector**

11/03/21 - The Government of Indonesia has enacted a government regulation concerning the operation of the Aviation sector as an implementing regulation of the *Job Creation Act*. The new regulation includes detailed technical requirements in the law.

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## **Job Creation Act: Coal Mine Downstream Businesses are Officially Royalty-Free**

09/03/21 - The Government of Indonesia has enacted a Government Regulation which serves as an implementing regulation to the Job Creation Act in the Energy and Mineral Resources Sector. The new regulation includes a provision to allow mining companies to obtain royalty-free benefits. What is in the new regulation and what does it mean for businesses?

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## **Job Creation Act: More benefits and opportunities in the economic zones**

08/03/21 - The Government of Indonesia has recently developed economic zones to boost economic development in the region. By the Job Creation Act Law, which was enacted in November 2020, the Government promotes the economic zones further by offering attractive benefits and special facilities. These areas are prepared to maximize industrial activities, export, import, and other economic activities that have high economic value.

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## **A new Indonesian investment policy**

25/02/21 - The Government of Indonesia has issued a series of implementing regulations for the Law No.11/2020 concerning the Job Creation encompassing various sectors. Dentons HPRP is conducting a study of each of the implementing regulations for the Job Creation Law and will issue our results for each policy in each business sector.

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### **Job Creation Law: Land Procurement**

22/12/20 - On 2 November 2020, the Government enacted the Job Creation Act Law No. 11 of 2020 ("*Job Creation Act*") which amends Law No. 2 of 2012 on the Land Procurement for Development for the Public Interest ("*Land Procurement Act*"). This amendment is one of the government's attempts to alleviate many obstacles to executing infrastructure projects in Indonesia.

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### **Omnibus Law for plantation sector - What's it all about?**

26/11/20 - The Job Creation Law, also known as the Indonesian Omnibus Law provides for new norms and terminology for Business Licensing (Perizinan Berusaha), and amends a number of articles in many laws, including the plantation law.

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### **Omnibus Law on Job Creation: New opportunities for investment**

19/11/20 - To encourage more investment into Indonesia, the *Job Creation Act* offers less restrictive provisions on investment. It is expected that the more investment coming into Indonesia, the more new jobs are created.

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### **Indonesia launches its Sovereign Wealth Fund**

17/11/20 - Many would consider the *Job Creation Act* to be an important milestone in structural reform in Indonesia, expecting it to strengthen monetary policy, provide a more accommodative fiscal policy, and accelerate infrastructure spending.

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### **Job Creation Law: The impact of the enactment of the Job Creation Act on businesses in the aviation sector**

13/11/20 - The Job Creation Act Law No.11 of 2020 ("*Job Creation Act*"), also known as the Omnibus Law, which was enacted and came into effect on 2 November 2020, is a breakthrough. It acts as a comprehensive law that governs and amends various provisions in various sectors, including the aviation sector.

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### **Job Creation Law: State Owned Enterprises (BUMN) as catalysts for research and innovation**

09/11/20 - The Job Creation Omnibus Bill was enacted by the President of the Republic of Indonesia as Law No. 11 of 2020 concerning Job Creation on 3 November 2020 (the "*Job Creation Act*"). One of the provisions in the Job Creation Act which has an important role in a business's success and effectiveness is the support for research and

innovation.

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## [Omnibus Bill on Job Creation: Simplification of Business Licensing](#)

06/11/20 - The Job Creation Law was finally signed by President Joko Widodo on 3 November 2020. Dentons HPRP's lawyers, Fabiola Hutagalung (Partner), Michael A. Kaihatu (Partner), R.A. Sabrina Stamboel (Senior Associate), and Monica Elizabeth Dina (Associate) look at the first cluster in the new law, which contains a simplification of business licensing, and highlight several essential points.

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