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## Global Energy, Utilities & Mining Group/ May 2014 / No. 51

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### **PwC Indonesia**

### **Energy, Utilities & Mining NewsFlash**



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## **2014 Negative Investment List – the end of an era for the oilfield service sector**

Anthony Anderson and Yudhanto Aribowo

*On 23 April 2014, the Government of Indonesia issued Presidential Regulation No 39/2014 concerning the list of business fields that are closed to investment and business fields that are conditionally open for investment (PR 39/2014), otherwise known as the 2014 Negative Investment List.*

PR 39/2014 effectively replaced Presidential Regulation Number 36/2010 (PR 36/2010). However all implementing regulations issued to give effect to PR 36/2010 will remain valid to the extent that they do not contradict PR 39/2014.

The 2014 Negative Investment List details 16 sectors that are conditionally open for investment, including in energy and mineral resources. Within the energy sector, foreign participation in some oil and gas services including onshore drilling, onshore production installation, well operation and maintenance, and design and engineering services are now closed to foreign investment. Foreign participation is also limited, variously to between 49% and 95%, in offshore pipeline installation, surveying services, platform construction, and offshore drilling. Investment in the power sector, including geothermal power also faces new restrictions.

List of energy businesses that are fully closed to foreign investment:

- oil and gas construction services, namely onshore production installation, pipeline installation, storage and marketing installation, and horizontal/vertical tanks;
- onshore oil and gas drilling;
- oil and gas support services, namely well operation and maintenance services, design and engineering services, and technical inspection services; and
- power generation of less than 1 MW capacity, electrical installation and testing, and analysis of electrical installation.

List of energy businesses that are open to foreign investment under specific conditions:

- maximum foreign ownership of 49%: spherical tanks, offshore pipeline installation, oil and gas/G&G surveying services, and power generation of 1 – 10 MW capacity;
- maximum foreign ownership of 75%: platform construction services, and offshore oil and gas drilling;
- maximum foreign ownership of 90%: geothermal operating and maintenance services; and
- maximum foreign ownership of 95%: geothermal surveying services and drilling, power generation/transmission/distribution of greater than 10 MW capacity (except for public-private partnerships where 100% foreign ownership is now allowed), power installation consultancy, electrical utility construction, and operation and maintenance of electrical installation.

The 2014 Negative Investment List does not apply to investments approved prior to its issue unless the terms are more favourable to the relevant investor. The List also does not apply to indirect investments, or portfolio investments transacting through domestic capital markets.

The changes in regard to the oilfield services would seem to make it harder for longer term projects (where fly-in fly-out support is inadequate) to have a new foreign service provider establish a local presence. Given the apparent need for external expertise in deepwater areas, floating LNG, stranded gas, coal bed methane and perhaps shale gas, one would have thought it would be appropriate to retain some flexibility (not closure) of the following sectors:

- Oil and gas construction services;
- Onshore oil and gas drilling; and
- Oil and gas support services, namely well operation and maintenance services, design and engineering services, and technical inspection services.

Vendors of services in these (now) closed sectors may need to return to the greater use of principal/agent structures, subject to of course whether their Indonesian clients are satisfied with such a minimal presence.

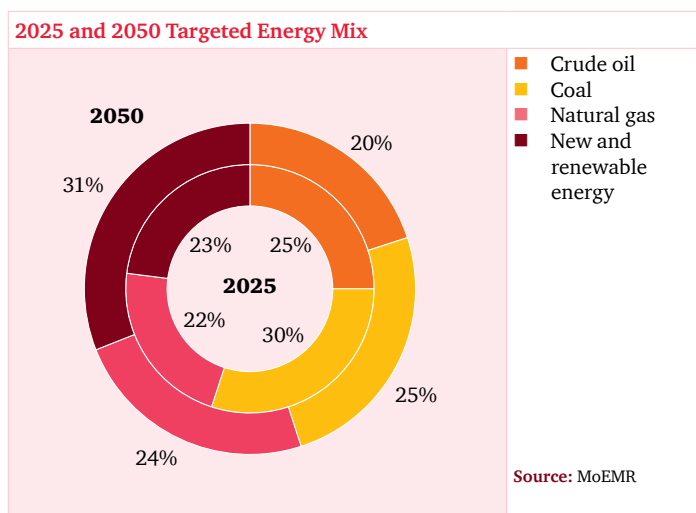
The changes for the sub-10MW power generation sector are also difficult to understand, particularly in regard to renewable energy in the solar and mini hydro space. The recent bid round of PLN for Solar investments attracted a healthy degree of interest from foreign bidders, who were collaborating with local Indonesian partners. This power sector (all projects were less than 10MW) is now closed and one wonders if there will be continued sufficient investment dollars and technical experience from domestic investors for the balance of the projects to be built. Furthermore, anecdotal evidence suggests that some sub-10MW domestic investors in mini-hydro are finding it hard to access domestic finance for renewable energy investments and thus have been looking for foreign equity partners to assist, where local banks would not. The involvement of foreign investors from a direct equity perspective is now prevented.

## National Energy Policy

A new five year National Energy Policy has been published in draft form but, as we understand it, the policy has not yet been signed by the President.

The National Energy Policy aims to achieve an optimal energy resources mix by 2025 and 2050 as follows:

Energy Source	2025	2050
New and renewable energy	minimum 23%	minimum 31%
Crude oil	less than 25%	less than 20%
Coal	minimum 30%	minimum 25%
Natural gas	minimum 22%	minimum 24%



This new target mix compares with a superseded target for 2030 of 2% for oil, 26% for coal, 30% for gas and 42% for renewables. The new policy specifies coal as the mainstay of national energy supply. It also states an electrification target of 85% by 2015 and close to 100% by 2020. Previously the 2020 target was 90%. Currently the ratio is around 78%.

## Annual Tax Returns for PSCs

On 18 February 2014 the DGT issued Regulation No.5/2014 on the format and content of the annual income tax return for PSC taxpayers (DGT Regulation No.28 was revoked).

In addition to distinguishing liftings and non-liftings income, Contractors are now required to complete and attach (as appropriate) six detailed special attachments concerning:

- Corporate Income Tax for PSC Contractors;
- Branch Profits Tax/dividend tax for PSC Contractors;
- Details of Costs in Exploration/Exploitation Stage for PSC Contractors;
- Depreciation Schedule for PSC Contractors;
- Details of the Contractor's portion of FTP share;
- Details of Changes in Participating Interests.

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## ***Current status of Land & Buildings Tax (PBB Tax)***

Alexander Lukito

The Directorate General of Taxation (DGT) provided further regulation during the course of 2013 regarding Land and Buildings Tax (PBB Tax). To help companies understand their obligations under the current regime we have put together an overview of the tax rules and a summary of the current “object” values (NJOP).

The following tax rules apply to the PBB tax in the upstream oil and gas sector:-

- a. PBB Law No.12/1994 (the PBB Law);
- b. Government Regulation No.79/2010 of 20 December 2010 (GR-79);
- c. Minister of Finance (MoF) Regulation No.15/PMK.03/2012 (PMK-15);
- d. MoF Regulation No.76/PMK.03/2013 (PMK-76);
- e. DGT Regulation No.11/PJ/2012 (PER-11);
- f. DGT Decree No.163/PJ/2012 (KEP-163);
- g. DGT Decree No.132/PJ/2013 (KEP-132);
- h. DGT Regulation No.45/PJ/2013 (PER-45); and
- i. DGT Circular No.SE-46/PJ/2013 (SE-46).

### ***General PBB framework***

Pursuant to Article 5 of the PBB Law PBB is due at 0.5% of a “deemed” tax base. The “tax base” ranges from 20% to 100% of the relevant “object” value (or NJOP) of interests in land and/or buildings “held” as at 1 January each year.

Information on PBB “objects” is collected via a “Notification of PBB Objects” (or SPOP) which the object holder is required to complete and file with the Directorate General of Tax (DGT) within 30 days of receipt each year. The resulting PBB liability is then notified to the object holder by an Official Tax Payable Notification (SPPT). The SPPT is then due for payment within 6 months of the receipt.

A SPPT is not an assessment. However, a SPPT is still a legal notice for payment from the DGT which can be disputed pursuant to an objection/appeal system similar to that for other taxes.

### ***PBB Framework for PSCs***

PBB objects held by PSC interest holders have historically been subject to PBB under the same process as outlined above (and with a tax base at 40% of the NJOP).

In addition, PSC interest holders have (historically) had the financial cost of the PBB dealt with via an “overbooking” made by the Directorate General of Budget (“DGB”) to the DGT (i.e. the PBB was not historically paid by the PSC interest holder).

This “protected” PBB position was generally consistent with the provisions of historical PSCs (at least for PSCs signed before GR-79 – see below).

Until the April 2013 regulatory changes (see below) the relevant PBB regulations could be summarised as follows:-

- a. on 1 February 2012, the MoF issued PMK-15 which essentially provided:-
  - i) that PBB should (continue to) be settled through an “overbooking” (i.e. at this stage PBB was still not paid by the PSC interest holder); and
  - ii) for the purpose of determining the NJOP the MoF would issue detailed regulations on an annual basis.

- b. on 20 April 2012, the DGT issued PER-11 outlining compliance and calculation procedures for PSCs. As with the previous regulations, PER-11 demarcated NJOP according to whether the relevant land was:-
  - i) surface-onshore;
  - ii) surface-offshore (essentially the water surface); and
  - iii) subsurface (essentially the seabed).

PER-11 prescribed that the NJOP was to be determined on a m<sup>2</sup> basis with the value to be regulated separately by the DGT. Whilst the “onshore”, “offshore” and “subsurface” values (during exploration) were to be set at different rates the land area was prescribed as being the full PSC area;

- c. on 25 April 2012 and 25 March 2013, the DGT issued KEP-163 and KEP-132 for 1 January 2012 and 2013 PBB objects respectively. These provided the actual m<sup>2</sup> values for the “onshore”, “offshore” and “subsurface” areas for exploration PSCs (noting that a different calculation applies for exploitation PSCs for the “subsurface” component).

### **April 2013 Changes**

Various changes were made in April 2013. These changes can be summarised as follows:-

- a. on 20 December 2010, the Government issued GR-79. Article 11(4)(f) of GR-79 indicated (for the first time) that “indirect taxes” should be cost recoverable rather than (say) contractually protected. The relevant elucidation to GR-79 made it clear that indirect taxes included PBB.
- b. on 12 April 2013, the MoF issued PMK-76 to replace PMK-15. PMK-76 specifically differentiated the PBB treatment as follows:-
  - i) *for pre GR-79 PSCs*:- the overbooking process continues to apply; and
  - ii) *for post GR-79 PSCs*:- the overbooking does not apply and the PSCs interest holder are required to self-remit the PBB and claim as cost recovery.
- c. in June 2013, the DGT issued the holders of post GR-79 PSCs with PBB related SPPTs for PBB Objects held as at 1 January 2012 and 2013. There was also a series of meetings with SKK Migas and the MoF in an attempt to clarify a number of unclear calculation issues in particular the meaning of land “utilisation”.
- d. on 30 September 2013, the DGT issued SE-46 to provide further clarification on completing SPOPs for the “offshore” component of objects. Perhaps the most significant aspect of SE-46 was to clarify that the NJOP should only extend to area “utilised” etc. by the PSC interest holder. Whilst utilisation was not defined the intent appeared to be to reduce PBB exposure for these PSCs on a go forward basis.
- e. on 20 December 2013, the DGT issued PER-45 to replace PER-11 (and effectively therefore SE-46 which was subordinate to PER-11-see above). Key points outlined in PER-45 (which came into force in 1 January 2014) were as follows:
  - i) *definition of “Offshore Area”*:-whilst PER-45 followed the same approach as PER-11 the PER-45 definition did not refer to utilisation thereby raising a question over whether PER-45 revoked the utilisation interpretation of “Offshore Area” outlined in SE-46. This issue remains unclear although during the socialisation of PER-45 the DGT apparently indicated that the “interpretation” set out under SE-46 should continue; and
  - ii) *the introduction of a “zone” concept*:- that the “zone” utilized for oil and gas activities can include areas outside of the PSC contract area. This effectively expanded the area potentially subject to PBB with the “zone” concept most directly impacting the “surface” component (i.e. with the PBB base for the surface area becoming the “total area” not the PSC area).

## Current Status NJOP value of PBB Objects

With the above in mind the NJOP value for PBB calculations, on a post-2013 basis, can be summarised as follows.

NJOP Value <sup>1</sup> – Per Type of PSC Area (Post PER-45)		
<b>a) Surface</b>	<i>Onshore</i>	<i>Offshore</i>
	<ul style="list-style-type: none"> <li>NJOP = Total Area<sup>3</sup> x Land NJOP/m<sup>2</sup></li> <li>The resulting PBB applies as follows:-               <ul style="list-style-type: none"> <li>i) for productive land – subject to PBB</li> <li>ii) for not yet productive land - subject to PBB</li> <li>iii) for unproductive land – subject to PBB</li> <li>iv) for emplacement land – subject to PBB</li> <li>v) for other land- not subject to PBB</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>NJOP = Total Area<sup>3</sup> x Land NJOP/m<sup>2</sup></li> <li>The resulting PBB applies as follows:-               <ul style="list-style-type: none"> <li>i) for offshore area – subject to PBB</li> <li>ii) for other area – not subject to PBB</li> </ul> </li> </ul>
<b>b) Subsurface</b>	<i>Exploration</i>	<i>Exploration</i>
	<ul style="list-style-type: none"> <li>NJOP = PSC Area x Land NJOP/m<sup>2</sup></li> </ul> <i>Exploitation</i> <ul style="list-style-type: none"> <li>Capitalisation Number x production sold x oil crude price/ICP (or natural gas price)<sup>4</sup></li> </ul>	<ul style="list-style-type: none"> <li>NJOP = PSC Area x Land NJOP/m<sup>2</sup></li> </ul> <i>Exploitation</i> <ul style="list-style-type: none"> <li>Capitalisation Number x production sold x oil crude price/ICP (or natural gas price)<sup>4</sup></li> </ul>
<b>c) Building</b>	<i>General</i>	<i>General</i>
	<ul style="list-style-type: none"> <li>Total Building Area x Building NJOP/m<sup>2</sup></li> </ul> <i>Specific</i> <ul style="list-style-type: none"> <li>Total Building Area x Building NJOP/m<sup>2</sup></li> </ul>	<ul style="list-style-type: none"> <li>Total Building Area x Building NJOP/m<sup>2</sup></li> </ul> <i>Specific</i> <ul style="list-style-type: none"> <li>Total Building Area x Building NJOP/m<sup>2</sup></li> </ul>

<sup>1</sup> prior to 60% base range calculation

<sup>2</sup> per KEP-132 value - for 1 January 2014 not yet issued

<sup>3</sup> per PER-45-subject to “utilised” area clarification

<sup>4</sup> if producing



## Reclamation and mine closure guarantees

Raemon Utama and Mayda Santi

On 29 February 2014, the Minister for Energy and Mineral Resources issued Regulation No.7/2014 (PerMen 7) as the implementing regulation of Government Regulation No.78/2010 (GR 78) that deals with reclamation and post-mining activities for both IUP-Exploration and IUP-OP holders. PerMen 7 details the requirements and guidelines for the preparation of reclamation and post-mining plans.

An Exploration IUP holder, among other requirements, must include a reclamation plan in its exploration work plan and budget and provide a reclamation guarantee in the form of a time deposit placed at a state-owned bank. The reclamation plan for the exploration phase is required to be prepared before undertaking any exploration activities. Upon submitting application for an IUPOP, the reclamation plan for the production phase and the post mining plan shall also be prepared by the Exploration IUP/IUPK holder and this plan should cover a five-year period (or the remaining mine life, if shorter).

An IUP-OP holder, among other requirements, must provide:

1. a five-year reclamation plan;
2. a post-mining plan;
3. a *reclamation guarantee* which may be in the form of a joint account or time deposit placed at a state-owned bank, a bank guarantee, or (if meeting certain eligibility criteria) an accounting provision; and
4. a *post-mining guarantee* in the form of a time deposit at a state-owned bank

The requirement to provide reclamation and post-mining guarantees does not release the IUP holder from the requirement to perform the reclamation and postmining activities. PerMen 7 also provides the procedures for the preparation of the reclamation and post-mining activities report. The transitional provisions in GR 78 and PerMen 7 make it clear that CoW/CCoW holders are also required to comply with this regulation. The reclamation and mine closure guarantees may only be withdrawn upon approval from the Minister, the Governor, the Regent or the Mayor, as applicable.





# Update on mining area mapping

Raemon Utama and Rosh Govindaraj



Photo source : PT Newmont Nusa Tenggara

On 24 December 2013, the MoEMR issued Regulation No.37/2013 (PerMen 37) providing technical criteria to determine the areas that are open for mining (*Wilayah Pertambangan* or WPs) as follows:

- having the spread of rock formation of the relevant mining product;
- the mining product indicative data is available;
- the mining product potential data is available; and
- there is mineral or coal reserve data.

WPs are categorised as:

1. Commercial mining business areas (*Wilayah Usaha Pertambangan – WUP*), representing mining areas for larger scale mining;
2. State reserve areas (*Wilayah Pencadangan Negara – WPN*), representing areas reserved for the national strategic interest; and
3. People’s mining areas (*Wilayah Pertambangan Rakyat – WPR*), representing mining areas for small-scale local mining.

In determining the WPs, every five years the Central Government (with the assistance of provincial and regional Governments) can carry out a detailed mapping exercise. The areas identified as mining areas will not necessarily be available exclusively for mining, and therefore may include other uses, such as forestry.

This mapping process is still in progress, and since the final map of designated areas must be approved by Parliament, this process may take some time. It should be noted however, that one key positive step taken by the Government is the establishment of a “clean and clear” list of mining licence areas which have been verified by the DGoMC and declared to be valid and free of competing claims. This list can be accessed at the DGoMC website. Currently, approximately 55% of the nearly 11,000 existing mining licences had been given clean and clear status.



# Mining licences

Raemon Utama and Rosh Govindaraj

The Minister of Energy and Mineral Resources issued Regulation No.32 on 19 November 2013 (PerMen 32) on mining business licenses. Within the designated mining areas (or WPs), mining licences may be issued to one or more parties as follows:

- Mining Business Licence (IUP) is a general licence for conducting mining business activities in a WUP area.
- Special Mining Business Licence (IUPK) is a licence for conducting mining activities in a specific mining area, in which mining business activities can be carried-out.
- People's Mining Licence (IPR) is a licence for conducting mining business in a mining area of limited size and investment. An IPR is not available to foreign investors.

## Specific licences

Entities intending to engage solely in trading, processing and refining activities are still required to obtain a special IUP-OP. However, these licences are distinguished by the specific activities which they intend to perform:

- Transport and Sales IUP-OP (for companies engaging in the coal/ minerals transportation and trading business)
- Processing and/or Refining IUP-OP

Prior to the issuance of the Minister's PerMen 32, the transport/sale and processing/refining activities (for companies who did not themselves own a mine) were largely unregulated. PerMen 32 formalises the extensive requirements for those wishing to apply for these Transport and Sales and Processing and/or Refining IUP-OPs, and also imposes a number of new restrictions on these activities.

Furthermore, PerMen 32 recognises two types of temporary licences, see below for details.

## Temporary Licences

To deal with situations where coal/minerals are mined ancillary to some other main activity, the following temporary licences are recognised:

- a. Temporary Transporting and Trading Licence: granted to a mining company to allow the sale of coal/minerals extracted during exploration phase.
- b. Temporary IUP for Trading: granted to a company which is not in the mining business (e.g. road construction), but excavates coal/minerals as part of its activities. This licence is required regardless of whether the company intends to sell or use the coal/minerals.

Both temporary licences have associated restrictions:

- The licence can be issued only once, cannot be extended, and is granted for a specific quantity of coal/minerals;
- The licence holder must pay production royalties on the coal/minerals sold; and
- The coal/minerals must be sold domestically.

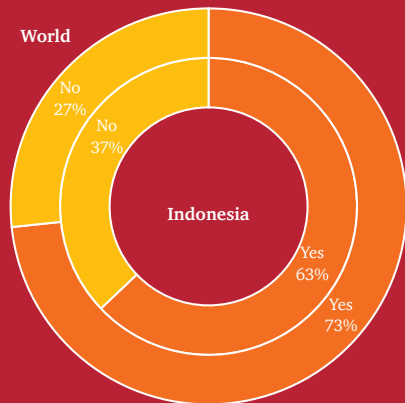
The licences are granted by the relevant authority in accordance with the location from which the coal/minerals are excavated (see table below). A number of Transport and Sales IUP-OPs and Processing and/or Refining IUP-OPs were issued prior to PerMen 32. Those licences must be adjusted in accordance with this regulation by 18 November 2015.

# Opportunities, Risks and Rewards – a balancing act

## An investor survey of the Indonesian oil and gas industry

Anthony Anderson

*Will your company increase its exploration activity?*



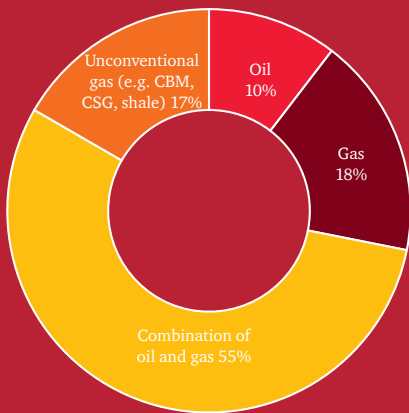
This month PwC Indonesia will publish the sixth edition of our survey of the Indonesian oil and gas industry. The survey responses come from 106 participants from 90 different companies currently operating in the Indonesian oil and gas sector and therefore can be used to draw credible conclusions about the issues preventing the industry from reaching its full potential. The survey shows that there have been improvements in some areas, but also suggests that new regulations, contract sanctity, uncertainty over cost recovery and the impact from other government agencies continue to stifle investment.

### Employment

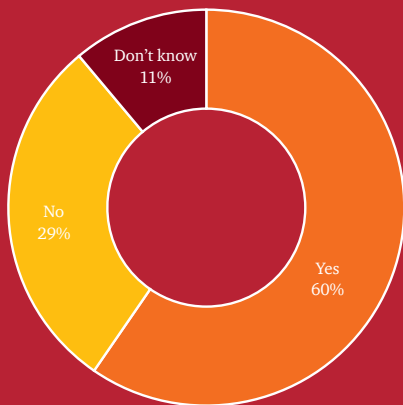
In line with the continued increase in global demand for oil and gas, the demand for employees working in the oil and gas industry in Indonesia is likely to increase over the coming years. Expatriate numbers are not expected to increase, despite an apparent need for deepwater and unconventional expertise, largely due to the new expatriate utilisation regulations adding conditions on the employment of foreign workers for the upstream and services sectors. As in the 2012 survey results, a large portion of the survey participants expect difficulties in attracting sufficient (skilled) human resources. One of the reasons behind this is the fact that a significant proportion of skilled local employees seek employment abroad (mostly in the Middle East) in search of higher compensation.



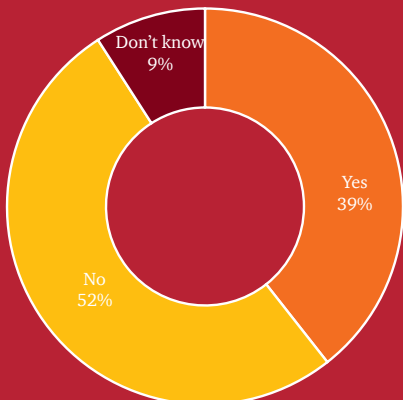
### Focus of exploration activities



### Do you expect the industry to encounter difficulties in hiring and retaining employees in 2014?



### Does the Indonesian oil and gas industry have a sufficient number of skilled staff to perform these activities?



### Capital Expenditure

The participants' general view seems to be that capital spending will stay the same or even increase over the coming five years. This is more or less consistent with the 2012 survey results and consistent with the increased liftings costs for mature fields and the development of deepwater assets. Disappointingly, 48% of respondents suggested their appetite for further investment in Indonesia was declining.

### Challenges facing the industry

Our survey indicated that the five most critical challenges facing the industry are as follows:

1. Interference from other government agencies, such as the tax authorities
2. Contract sanctity
3. Confusion as the roles of the central, provincial & regional government
4. New regulations
5. Uncertainty over cost recovery and SKK Migas/ BPKP audit findings

The challenges highlighted in bold above were also included in the top five challenges in our 2010 and 2012 surveys.

We noted that survey participants were slightly more optimistic on the anticipated developments on a number of challenges over the longer term as they expect some improvements within the coming five years. In written comments to the survey a number of respondents flagged their concerns over the need to resolve the status of the pending revision of the Oil and Gas Law. Some also expressed or implied frustration with the perceived lack of consistency or coordination between the various GoI Ministries.

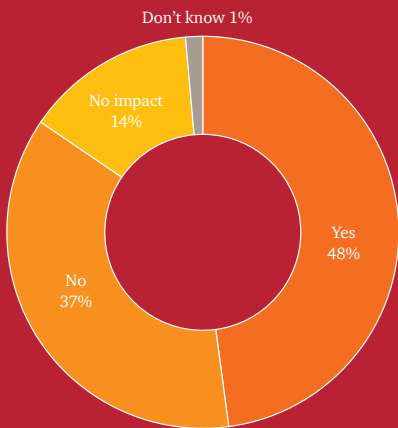
### Competitiveness

From this survey, the five most competitive features of the Indonesian oil and gas industry are as follows:

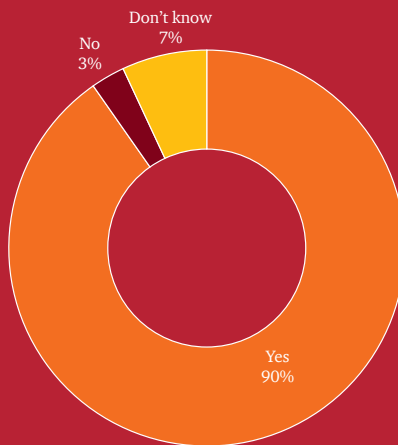
1. Political stability
2. Trained workforce
3. Ease of foreign ownership
4. Environmental regulation
5. Geological opportunities

Critically we note that foreign ownership (read as access to acreage and being open for business) remains a competitive and positive feature of the Indonesian upstream sector. We note also that geological prospectivity, although still regarded as good, is no longer regarded as the most competitive feature of the Indonesian upstream sector.

*Do you anticipate significant changes in the industry after the elections?*



*Should the government provide more incentives for unconventional gas?*



### **Other challenges**

Survey respondents were divided as to whether the 2014 elections would have significant ramifications for the sector, but were in agreement that the upstream procurement regulations were and would continue to have a negative impact on their business. There was overwhelming support from respondents for the GoI to provide incentives to support the development of unconventional gas (90% of recipients), but serious concern as to whether Indonesia had the knowledge and expertise to extract and produce unconventional gas. On a concluding note, despite most respondents indicating that they were not satisfied with the returns of their investment, the majority (consistent with our past three surveys) had never considered leaving Indonesia.

For your copy of the 2014 survey of the Oil and Gas Industry, please contact your regular PwC Indonesia advisor.







## ***Mining in Indonesia 2014***

In May 2014 PwC Indonesia launched the 6th edition of our popular Mining Investment and Taxation Guide. The guide provides a comprehensive introduction to the key regulatory and taxation issues applicable to Indonesian mining investments, including the Mining Law of 2009 and the recent implementing regulations. An essential read for new investors to Indonesia's mining sector, or a handy reference for established investors.

The 6th edition captures the latest developments in Indonesia's mining sector, including the ban on export of unprocessed minerals, which came into force on 12 January 2014, and the new divestment rules, which require earlier divestment of foreign interests whenever there is a change in the shareholders of a company holding an IUP. The 6th edition also includes the 2014 update of the PwC Indonesia Mining Map.

This publication can be downloaded from our website at <http://www.pwc.com/id/en/publications> under the Energy, Utilities & Mining tab. If you would like a hard copy, please contact Nicolas Saputra on his email [nicolas.saputra@id.pwc.com](mailto:nicolas.saputra@id.pwc.com) or Arfianti Syamsuddin on her email [arfianti.syamsuddin@id.pwc.com](mailto:arfianti.syamsuddin@id.pwc.com)



## ***Opportunities, Risks and Rewards – a balancing act***

### ***An investor survey of the Indonesian oil and gas industry***

In May 2014 PwC Indonesia released its 2014 Oil and Gas Survey (see outline above). The purpose of the survey is to help inform the public and private sectors in Indonesia and abroad about Indonesia's upstream petroleum industry and to highlight some of the challenges in attracting optimal investment and achieving its full potential. Where possible, we have compared current results with the results from prior surveys to highlight trends and to assess whether conditions are deteriorating or improving.

The survey questionnaire was sent to individuals working for more than 150 different companies. We received 106 responses (representing 90 different companies currently active in the Indonesian oil and gas sector).

This publication can be downloaded from our website at <http://www.pwc.com/id/en/publications> under the Energy, Utilities & Mining tab. If you would like a hard copy, please contact Nicolas Saputra on his email [nicolas.saputra@id.pwc.com](mailto:nicolas.saputra@id.pwc.com) or Arfianti Syamsuddin on her email [arfianti.syamsuddin@id.pwc.com](mailto:arfianti.syamsuddin@id.pwc.com)



## ***Oil and Gas in Indonesia Investment and Taxation Guide 2014***

In May 2014 PwC Indonesia released the 6th edition of the Oil and Gas in Indonesia Investment and Taxation Guide. The guide provides an extensive overview of the key regulatory and taxation issues associated with upstream and downstream oil and gas sectors, as well as the unconventional gas and service sectors. The guide is an essential read for all stakeholders and those interested in the oil and gas sector in Indonesia.

The 6th edition captures the latest legal and regulatory changes that have occurred in the oil and gas industry during the past two years. In particular, this edition covers the most recent developments related to GR 79, land and building tax and the new negative investment list. The 6th edition also includes the 2014 update of the PwC Indonesia Oil & Gas Map.

This publication can be downloaded from our website at <http://www.pwc.com/id/en/publications> under the Energy, Utilities & Mining tab. If you would like a hard copy, please contact Nicolas Saputra on his email [nicolas.saputra@id.pwc.com](mailto:nicolas.saputra@id.pwc.com) or Arfianti Syamsuddin on her email [arfianti.syamsuddin@id.pwc.com](mailto:arfianti.syamsuddin@id.pwc.com)



## ***PwC Indonesia to participate in the 38th Annual IPA Convention***



PwC Indonesia will be hosting a booth at the IPA Convention and Exhibition at the Jakarta Convention Center. The event, with theme “Strengthening Partnerships to Enhance Indonesia’s Energy Resilience and Global Competitiveness”, will provide in-depth discussion in country’s issues and how to address the challenge and provide energy needs for the country. Come stop by our booth to meet our people for our latest industry publications. Our Technical Advisors, Anthony Anderson and Paul Van der Aa, will be presenting the Oil & Gas Survey results.

**Mark the date and be there!**



## ***PwC Indonesia in the 20th Coaltrans Asia 2014***



PwC Indonesia will be sponsoring the lounge at the 20th Coaltrans Asia at the Bali International Convention Centre, Indonesia. Join us for the one of the world's largest coal industry events to reconnect your thinking with professional at the forefront of this industry. We will have senior members of our mining team available to discuss industry issues and PwC Indonesia Tax Technical Advisor Tim Watson will be chairing the Finance and Investment session on Day Two.



## ***Indonesia International Geothermal Convention & Exhibition 2014***



PwC Indonesia will be hosting a booth at the upcoming Indonesia International Geothermal Convention & Exhibition 2014. The IIGCE is run by INAGA, Indonesia's peak industry body in the geothermal energy space, and will bring together senior industry and government executives as well as some international experts to discuss ways to accelerate the development of Indonesia's geothermal resources.

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