

PwC Indonesia Legal Alert

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Government of Indonesia Launches Online Single Submission System to Accelerate and Simplify Business Licensing Process

The Indonesian Government has recently issued a new Government Regulation No. 24 of 2018 on Electronically Integrated Business Licensing Services (“**GR No. 24/2018**”), which introduces new business licensing procedures via the Online Single Submission (OSS) System that was launched on 9 July 2018.

The OSS System is an online business licensing platform intended to accelerate and simplify the process of obtaining business licenses, and it can be accessed at any time and anywhere by any business in Indonesia. The OSS System is currently operated and managed by a dedicated OSS Body under the supervision of the Coordinating Ministry for Economic Affairs, until the Investment Coordinating Board (BKPM) is deemed ready to take over its management.

What do you need to do?

The GR No 24/2018 mandates that any existing or newly established businesses in Indonesia must obtain a Single Business Number (*Nomor Induk Berusaha* “**NIB**”) by registering with the OSS System (<https://oss.go.id/oss/>). The NIB is a mandatory requirement for any business to (i) apply for new business licenses and/or commercial/ operational licenses; or (ii) extend or amend existing business licenses and/or commercial/ operational licenses through the OSS System.

In the Registration process, to obtain an NIB, you must fill in certain information in the OSS System, including: a deed of establishment and the approval from the Minister of Law and Human Rights for businesses in the form of a limited liability company; business line; types of investment (in accordance with the Indonesian negative investment list); the amount of the investment plan; and other investment information.

Any changes to the above information must also be submitted to the OSS System in due course.

An existing investment company that currently (i) holds an interim investment license from BKPM (e.g. an in-principle license or investment registration) or (ii) holds a business license from BKPM and/or other government institutions and wishes to, for example, expand its business or investments will have to apply for a business license and/or commercial operation licenses through the OSS System.

Any corporate actions undertaken by any investment company that will involve the amendment of its articles of association or its company information (i.e. mergers, acquisitions, transfers of shares, and changes of corporate information) will not be managed by the OSS System. To the extent required by law/regulation, this can be done only after obtaining required approvals or receipts from other relevant government authorities (e.g. the Ministry of Law and Human Rights). The businesses’ information in the OSS System must be updated by the relevant businesses after the completion of the corporate actions.

In order to establish a new foreign investment company or conduct any corporate actions, care must be taken to see whether the establishment or the corporate actions are in line with the prevailing regulations (e.g. the Negative List of Investments). Any violations to the prevailing regulation may cause the business license application to be rejected by the OSS System.

What can PwC do?

Since the implementation of the new OSS System will affect the business licensing procedures for your business activities in Indonesia, we would be pleased to advise and assist you in the process of establishment of your investment company up until the registration and submission of your business license application through the OSS System. In addition, we also note that there are some unclear or grey areas on how the system will be implemented. Therefore we would also be pleased to advise and assist you on what you need to do in order to comply with the GR No 24/2018 and other relevant regulations.

Contacts

Please feel free to contact our Legal Specialists.



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