REGULATION OF THE PRESIDENT OF THE REPUBLIC OF INDONESIA NUMBER 79 OF 2023

ON

AMENDMENT TO PRESIDENTIAL REGULATION NUMBER 55 OF 2019 ON ACCELERATION OF BATTERY ELECTRIC VEHICLES PROGRAM FOR ROAD TRANSPORTATION

BY THE BLESSINGS OF ALMIGHTY GOD PRESIDENT OF THE REPUBLIC OF INDONESIA,

Considering: a.

- a. that to accelerate the increase in the ecosystem of battery electric vehicle, it is necessary to expand the scope of battery electric vehicles, adjust the use of domestic component levels, and strengthen the support by the Central Government and the Local Governments;
- b. that based on the provisions as referred to in point a, it is necessary to make adjustments to Presidential Regulation Number 55 of 2019 on Acceleration of Battery Electric Vehicles Program for Road Transportation;
- c. that based on the considerations as referred to in point a and point b, it is necessary to issue Presidential Regulation on Amendment to Presidential Regulation Number 55 of 2019 on Acceleration of Battery Electric Vehicles Program for Road Transportation;

Observing

- : 1. Article 4 section (1) of the 1945 Constitution of the Republic of Indonesia;
 - 2. Government Regulation Number 14 of 2012 on Electricity Supply Business Activities (State Gazette of the Republic of Indonesia of 2012 Number 28, Supplement to the State Gazette of the Republic of Indonesia Number 5281) as amended by Government Regulation Number 23 of 2014 on Amendment to Government Regulation Number 14 of 2012 on Electricity Supply Business Activities (State Gazette of the Republic of Indonesia of 2014 Number 75, Supplement to the State Gazette of the Republic of Indonesia Number 5530);
 - 3. Government Regulation Number 55 of 2012 on Vehicles (State Gazette of the Republic of Indonesia of 2012 Number 120, Supplement to the State Gazette of the Republic of Indonesia Number 5317);

- 4. Government Regulation Number 73 of 2019 on Taxable Goods Classified as Luxury in the Form of Motor Vehicles that are Subject to Sales Tax on Luxury Goods (State Gazette of the Republic of Indonesia of 2019 Number 189, Supplement to the State Gazette of the Republic of Indonesia Number 6404) as amended by Government Regulation Number 74 of 2021 on Amendment to Government Regulation Number 73 of 2019 on Taxable Goods Classified as Luxury in the Form of Motor Vehicles that are Subject to Sales Tax on Luxury Goods (State Gazette of the Republic of Indonesia of 2021 Number 150, Supplement to the State Gazette of the Republic of Indonesia Number 6694);
- 5. Government Regulation Number 33 of 2023 on Energy Conservation (State Gazette of the Republic of Indonesia of 2023 Number 83, Supplement to the State Gazette of the Republic of Indonesia Number 6879);
- 6. Presidential Regulation Number 55 of 2019 on Acceleration of Battery Electric Vehicles Program for Road Transportation (State Gazette of the Republic of Indonesia of 2019 Number 146);

HAS DECIDED:

To issue

: PRESIDENTIAL REGULATION ON AMENDMENT TO PRESIDENTIAL REGULATION NUMBER 55 OF 2019 ON ACCELERATION OF BATTERY ELECTRIC VEHICLES PROGRAM FOR ROAD TRANSPORTATION.

Article I

Several provisions in Presidential Regulation Number 55 of 2019 on Acceleration of Battery Electric Vehicles Program for Road Transportation (State Gazette of the Republic of Indonesia of 2019 Number 146) are amended as follows:

1. The provisions of Article 1 are added 3 (three) points, namely point 14, point 15 and point 16, so that Article 1 reads as follows:

Article 1

In this Presidential Regulation:

- 1. Electric Motor means an electromechanical device consuming electric power to produce mechanical energy for propulsion.
- 2. Battery or Electric Energy Storage Media, hereinafter referred to as Battery, means a source of electricity used for supplying electric energy to Electric Motor.
- 3. Battery Electric Vehicle, hereinafter referred to as BEV, means a vehicle that is propelled by Electric Motor and that receives electric power supply directly from Battery on the inside or outside the vehicle.
- 4. Charger means equipment functioning as an electricity source that supplies electric energy to BEV.
- 5. Public Electric Vehicle Charging Station (Stasiun Pengisian Kendaraan Listrik Umum), hereinafter

- abbreviated to SPKLU, means a facility for the public to recharge the electricity of BEV.
- 6. BEV Type Test means a physical test on BEV or research on the design and engineering of BEV, before the BEV is manufactured and/or assembled and/or imported massively as well as on modified BEV.
- 7. BEV Periodic Test means a test of electric vehicles carried out periodically on every BEV operated on roads.
- 8. BEV Identification Number (Nomor Identifikasi KBL Berbasis Baterai), hereinafter abbreviated to NIK, means an identity in the form of a combination of 17 (seventeen) characters of letters and/or numbers attached or printed on BEV or also called as Vehicle Identification Number (VIN).
- 9. Central Government means the President of the Republic of Indonesia who holds the authority of the government of the Republic of Indonesia and is assisted by the Vice President and ministers as referred to in the 1945 Constitution of the Republic of Indonesia.
- 10. Local Government means a head of region as an element of Local Government administration who leads the implementation of government affairs under the authority of autonomous region.
- 11. PT Perusahaan Listrik Negara (Persero) hereinafter referred to as PT PLN (Persero) means Limited Liability Company (*Persero*) PT Perusahaan Listrik Negara.
- 12. Domestic Component Level (*Tingkat Komponen Dalam Negeri*), hereinafter referred to as TKDN, means the amount of domestic content in Goods, Services as well as a combination of Goods and Services.
- 13. National Brand BEV means BEV that use signs, images, logos, names and words that are typical or characteristic of Indonesia.
- 14. Conversion means the process of changing the propulsion motor system of motor vehicle from combustion motor to electric motor.
- 15. Conversion Workshop means a business entity that is engaged in vehicles repair/assembly that has obtained a certificate as Conversion Workshop issued by the ministry administering government affairs in the field of transportation.
- 16. Public Electric Vehicle Swapping Station (Stasiun Penukaran Baterai Kendaraan Listrik Umum), hereinafter abbreviated to SPBKLU, means a facility for swapping a Battery to be recharged with a charged Battery.
- 2. Between section (1) and section (2) of Article 2, 1 (one) section, namely section (1a), is inserted so that Article 2 reads as follows:

- (1) BEVs are classified according to type as follows:
 - a. BEVs with two-wheels and/or three-wheels; and
 - b. BEVs with four-wheels or more wheels.
- (1a) BEVs as referred to in section (1) may be in the form
 - a. brand new BEVs; and/or
 - b. BEVs converted by Conversion Workshop.
- (2) The types of BEVs as referred to in section (1) refer to the types and functions of motor vehicles in accordance with the provisions of legislation in the field of road transportation means and infrastructure.
- (3) The minister administering government industrial affairs may set up certain specifications for BEVs.
- 3. The provisions of point b section (3) of Article 7 are amended so that Article 7 reads as follows:

Article 7

- (1) Industrial companies, higher education, and/or research and development institutes may carry out research, development, and innovation in BEV industrial technology.
- (2) The Central Government, Local Governments, and industrial companies may synergize in undertaking research, development, and innovation in BEV industrial technology.
- (3) The research, development and innovation in BEV industrial technology as referred to in section (2) are carried out to support:
 - a. development of the main components of BEV;
 - b. establishment of efficient SPKLU and SPBKLU;
 - c. development of BEV industry according to current technology advancement;
 - d. BEV industry with high TKDN achievement; and
 - e. development of BEVs that fulfill technical standards and are environmentally friendly.
- 4. The provisions of Article 8 are amended to read as follows:

- (1) BEV industry and BEV component industry are required to prioritize the use of TKDN according to the following criteria:
 - a. for BEVs with two-wheels and/or three-wheels, the level of domestic component is as follows:
 - 1) from 2019 to 2026, the minimum TKDN is 40% (forty percent);
 - 2) from 2027 to 2029, the minimum TKDN is 60% (sixty percent); and
 - 3) from 2030 and beyond, the minimum TKDN is 80% (eighty percent),
 - b. for BEVs with four-wheels or more wheels, the level of domestic component is as follows:

- 1) from 2019 to 2021, the minimum TKDN is 35% (thirty-five percent);
- 2) from 2022 to 2026, the minimum TKDN is 40% (forty percent);
- 3) from 2027 to 2029, the minimum TKDN is 60% (sixty percent); and
- 4) from 2030 and beyond, the minimum TKDN is 80% (eighty percent).
- (2) The provision that requires the prioritized use of TKDN as referred to in section (1) does not apply to BEVs converted by Conversion Workshop.
- (3) The procedure for calculating TKDN as referred to in section (1) is determined by the minister administering government industrial affairs by involving the relevant ministries/non-ministerial government institutions and/or stakeholders.
- 5. The provisions of Article 12 are amended to read as follows:

- (1) In order to accelerate the implementation of the BEVs program, BEVs industrial companies that meet the criteria as follows:
 - a. ones that will build domestic BEVs manufacturing facilities as referred to in Article 6;
 - b. ones that have invested in domestic BEV manufacturing facilities in order to introduce new products; and/or
 - c. ones that will increase BEV production capacity in order to introduce new products,
 - may procure BEVs that originate from import of Completely Built-Up/CBU units in a certain amount by considering the realization of the building work, investment, and/or production increase of BEVs until the end of 2025 after obtaining facility approval from the minister administering government affairs in the field of investment.
- Further provisions regarding the certain amount as referred to in section (1) are regulated in the regulation of the minister administering government affairs in the field of investment, the regulation of the minister administering government industrial affairs, regulation of the minister administering government affairs in the field of trade sector, and/or regulation of the minister administering government affairs in the field of state finance according to their authority.
- 6. The provision of point i section (3) of Article 17 is amended so that Article 17 reads as follows:

- (1) The Central Government and Local Governments give incentives to accelerate the BEVs program for road transportation.
- (2) The incentives as referred to in section (1) take the form of fiscal and non-fiscal incentives.
- (3) The incentives as referred to section (2) are given to:
 - a. research and development institutes as referred to in Article 7 section (1) that conduct research, development, and technology innovation as well as industrial vocation activities of BEVs;
 - industrial companies that prioritize the use of prototypes and/or components that originate from industrial companies and/or research and development institutes that conduct research, development, and technology innovation as well as industrial vocation activities of BEVs in the country;
 - c. industrial companies that fulfil the TKDN as referred to in Article 8 and produce BEVs in the country as referred to in Article 9;
 - d. BEV components industrial companies as referred to in Article 10;
 - e. National Brand BEV industrial companies as referred to in Article 14;
 - f. companies that provide rental for Battery (swap battery) for Electric Motorcycle;
 - g. industrial companies that accelerate production as well as prepare facilities and infrastructure for the use of BEVs;
 - h. companies that manage Battery waste;
 - i. companies that provide SPKLU, SPBKLU, and/or offices or residential units that use private electrical installations for recharging BEVs;
 - j. public transportation companies that operate BEVs; and
 - k. individual persons who use BEVs.
- 7. The provisions of Article 18 are amended to read as follows:

- (1) BEV industrial companies that procure BEVs that originate from import of Completely Built-Up/CBU units as referred to in Article 12 may be given incentives.
- (2) BEV industrial companies that are capable of accelerating domestic assembly process within the duration/time period of importation of Completely Built-Up/CBU units until the end of 2025 as referred to in Article 12 may be given incentives.
- 8. The provisions of Article 19 are amended to read as follows:

- (1) The fiscal incentives as referred to in Article 17 section (2) may be in the form of:
 - a. import duty incentive for importation of Completely Knock Down/CKD BEVs, Incompletely Knock Down/IKD BEVs, or main components for a certain amount and time period;
 - b. sales tax incentive for luxury goods;
 - c. incentive for exemption or reduction in central taxes;
 - d. incentive for exemption or reduction in local taxes;
 - e. import duty incentive for importation of machinery, goods, and materials in the context of investment;
 - f. import duty incentive borne by the government for importation of raw materials and/or auxiliary materials used for production process;
 - g. incentives for the manufacture of SPKLU and SPBKLU equipment;
 - h. export financing incentive;
 - i. fiscal incentive for research, development, and technology innovation as well as industrial vocation activities of BEV components;
 - j. parking fee at locations determined by Local Governments;
 - k. relief in electricity charging fee at SPKLU;
 - 1. financial support for construction of SPKLU infrastructure;
 - m. professional competency certification for human resources working in BEV industry; and
 - n. product and/or technical standard certification for BEV industrial companies and BEV component industry.
- (2) In addition to the fiscal incentives as referred to section (1), BEVs with two-wheels may be given purchase assistance and conversion assistance program by the government for a certain time period.
- (3) The fiscal incentives as referred to in section (1) as well as the purchase assistance and conversion assistance program as referred to in section (2) are given in accordance with the provisions of legislation.
- (4) The incentive for exemption or reduction in regional taxes as referred to in section (1) point d is given for Motor Vehicle Tax (*Pajak Kendaraan Bermotor*, PKB) and Duty on the Transfer of Motor Vehicle Title (*Bea Balik Nama Kendaraan Bermotor*, BBNKB).
- (5) The incentive for exemption or reduction in local taxes in the form of Motor Vehicle Tax (PKB) and Duty on the Transfer of Motor Vehicle Title (BBNKB) as referred to in section (4) is further regulated in the regulation of the minister administering domestic government affairs.

9. Between Article 19 and Article 20, 1 (one) article, namely Article 19A, is inserted that reads as follows:

Article 19A

- (1) The incentives as referred to in Article 18 section (1) may take the form of:
 - a. import duty incentive for importation of Completely Built-Up/CBU BEVs or import duty incentive borne by the government for importation of Completely Built-Up/CBU BEVs;
 - sales tax incentive for luxury goods for Completely Built-Up/CBU BEVs or sales tax incentive for luxury goods borne by the government for Completely Built-Up/CBU BEVs; and/or
 - c. incentive for exemption or reduction in local taxes for completely built-up BEVs.
- (2) The incentives as referred to in Article 18 section (2) may take the form of:
 - import duty incentive for importation of BEVs to be produced in the country or import duty incentive borne by the government for importation of BEVs to be produced in the country;
 - b. sales tax incentive for luxury goods for BEVs to be produced in the country or sales tax incentive for luxury goods borne by the government for BEVs to be produced in the country;
 - c. incentive for exemption or reduction in local taxes for Completely Knock Down/CKD BEVs to be produced in the country;
 - d. import duty incentive for importation of machinery, goods, and materials in the context of investment; and/or
 - e. import duty incentive for importation of raw materials and/or auxiliary materials used for production process.
- (3) The incentives as referred to in section (1) and section (2) are given on the condition that BEVs industrial companies:
 - a. be committed to producing BEVs in the country in a certain amount and within a certain time period with the TKDN level as referred to in Article 8; and
 - b. be required to provide a guarantee in the amount of the incentives given.
- (4) In the event that the commitment as referred to in section (3) point a is not met, BEVs Industry is imposed a sanction in the amount of the incentives received proportional to the commitment of the number of production quantity not met.
- (5) Further provisions regarding giving the incentives as referred to in section (1) and section (2), the conditions as referred to in section (3), and the

sanction as referred to in section (4) are regulated in the regulation of the minister administering government affairs in the field of investment, the regulation of the minister administering government industrial affairs, the regulation of the minister administering government affairs in the field of trade, and/or the regulation of the minister administering government affairs in field of state finance according to their authority.

10. The provisions of Article 22 are amended to read as follows:

Article 22

- (1) Charging infrastructure for BEVs includes:
 - a. charging facilities that at least consist of:
 - 1) Charger;
 - 2) current, voltage, and communication control system; and
 - 3) protection and security system; and/or
 - b. Battery swapping facility.
- (2) The charging infrastructure for BEVs as referred to in section (1) is provided at private electrical installations, SPKLU, and/or SPBKLU.
- (3) The charging infrastructure for BEVs as referred to in section (1) is required to comply with electricity safety rules in accordance with the provisions of legislation.
- 11. The provisions of section (1) and section (3) of Article 26 are amended so that Article 26 reads as follows:

- (1) To accelerate the provision of charging infrastructure as referred to in Article 22, support is provided for adjusting the electrical installations of electricity customers who use BEVs as well as for constructing SPKLU and/or SPBKLU at public places.
- (2) SPKLU as referred to in Article 24 and Article 25 are installed at locations that fit the following criteria:
 - a. ease of access by BEVs owners;
 - b. availability of special parking lot at the SPKLU; and
 - c. not blocking secure, safe, orderly, and smooth traffic flow.
- (3) To accelerate the BEVs program for road transportation, SPKLU and/or SPBKLU are installed at the following locations:
 - a. Public Gas Stations (Stasiun Pengisian Bahan Bakar Umum, SPBU);
 - b. Natural Gas Filling Stations (Stasiun Pengisian Bahan bakar Gas, SPBG);
 - c. offices of the Central Government and the Local Governments;

- d. shopping malls; and
- e. public parking lots on the side of highways.
- (4) Private electrical installations are located at:
 - a. offices of the Central Government and the Local Governments; and
 - b. residential units or areas.

Article II

This Presidential Regulation comes into force on the date of its promulgation.

In order that every person may know hereof, it is ordered to promulgate this Presidential Regulation by its placement in the State Gazette of the Republic of Indonesia.

Issued in Jakarta on 8 December 2023

PRESIDENT OF THE REPUBLIC OF INDONESIA,

signed

JOKO WIDODO

Promulgated in Jakarta on 8 December 2023

MINISTER OF STATE SECRETARY OF THE REPUBLIC OF INDONESIA,

signed

PRATIKNO

STATE GAZETTE OF THE REPUBLIC OF INDONESIA OF 2023 NUMBER 154

Jakarta, 19 March 2024

Has been translated as an Official Translation on behalf of the Minister of Law and Human Rights of the Republic of Indonesia

DIRECTOR GENERAL OF LEGISLATION,

ASEPIN. MUKYANA