

REGULATION OF THE GOVERNMENT
OF THE REPUBLIC OF INDONESIA
NUMBER 2 OF 2017
ON
DEVELOPMENT OF INDUSTRIAL
FACILITIES AND INFRASTRUCTURE

BY THE BLESSINGS OF ALMIGHTY GOD

PRESIDENT OF THE REPUBLIC OF INDONESIA,

- Considering : that to implement the provisions of Article 61, Article 71 and Article 111 section (3) of Law Number 3 of 2014 on Industrial Affairs, it is necessary to issue a Government Regulation on Development of Industrial Facilities and Infrastructure;
- Observing : 1. Article 5 section (2) of the 1945 Constitution of the Republic of Indonesia;
2. Law Number 3 of 2014 on Industrial Affairs (State Gazette of the Republic of Indonesia of 2014 Number 4, Supplement to the State Gazette of the Republic of Indonesia Number 5492);
- To issue : GOVERNMENT REGULATION ON DEVELOPMENT OF INDUSTRIAL FACILITIES AND INFRASTRUCTURE.

CHAPTER I
GENERAL PROVISIONS

Article 1

In this Government Regulation:

1. Facility means anything which may be used as a means of reaching a purpose or an objective.
2. Infrastructure means anything which serves as main support for the undertaking of a process.
3. Industrial Standardization means the process of formulating, stipulating, applying, maintaining, imposing and supervising standards in Industry which is implemented in an orderly manner and in cooperation with all stakeholders.
4. Indonesian National Standards (*Standar Nasional Indonesia*), hereinafter abbreviated as SNI, means standards that are stipulated by a non-ministerial government institution which undertakes duties in and is responsible for standardization, and that prevail within the territory of the Unitary State of the Republic of Indonesia.
5. Technical Specifications means documents on technical requirements which refer to parts of parameters of SNI and/or international standards.
6. Code of Practice means a document which contains customs or procedures for the design, manufacturing, installation, maintenance or utilization of equipment, structures or products.
7. Consumer means Any Person and user of goods and/or services which are made available to the public, either for one's own interests or those of one's family, another person or another living creature, and which are not for sale.
8. Business Actor means Any Person in individual or enterprise form, the latter of which is either a legal or non-legal entity which is established and domiciled or conducts activities within the legal territory of the

Republic of Indonesia that, either individually or jointly by way of agreement, undertakes business activities in various fields of the economy.

9. Industrial Company means Any Person which conducts Industrial business activities and is domiciled in Indonesia.
10. Industry means all forms of economic activities which process raw materials and/or utilize industrial resources to produce goods of added value or of higher utility, including industrial services.
11. Industrial Standards Supervising Officer (*Petugas Pengawas Standar Industri*), hereinafter referred to as PPSI, means a central or local government civil servant who is assigned the duties of supervising the implementation of application or imposition of Industrial standards.
12. Industrial Estate means an estate where Industrial activities are centralized, complete with supporting Facilities and Infrastructure which are developed and managed by an Industrial Estate Company.
13. Industrial Estate Company means a company which undertakes the development and management of an Industrial Estate.
14. Any Person means an individual or a Corporation.
15. Corporation means any group of persons and/or organized estate, either in the form of a legal entity or a non-legal entity.
16. Industrial Data means facts noted or recorded in the form of numbers, points, pictures, maps and/or the equivalent which indicate actual conditions to a specific period, are free of value, and are not yet processed in relation to Industrial Company activities.
17. Industrial Estate Data means facts noted or recorded in the form of numbers, points, pictures, maps and/or the equivalent which indicate actual conditions to a specific time period, are free of value and are not yet processed in relation to Industrial Estate Company activities.

18. Industrial Information means processing results of Industrial Data and Industrial Estate Data in the form of tables, graphics, conclusions or analytical narrations that contain certain meanings or definitions which are beneficial to their users.
19. National Industrial Information System means an integrated system of working procedures and mechanisms which covers the elements of institutions, human resources, databases, hardware and software as well as interconnected data communication networks for the purposes of delivery, management, presentation, provision of services, and dissemination of data and/or Industrial Information.
20. Industrial Technology means the results of any development, improvement, invention and/or innovation in the form of process of technology and product of technology, including design and engineering, methods and/or systems which are applied in Industrial activities.
21. Non-Fiscal Facility means a facility from the Central Government and/or a Local Government which is received by an Industrial Company and/or an Industrial Estate Company in the form of a service, utility value on a right, utility value on goods and/or utility value on a physical structure, the utilization of which results or does not result in commercial gain and without being followed-up by any transfer of such right, goods and/or physical structure by the Central Government and/or the Local Government to the Industrial Company and/or the Industrial Estate Company.
22. Industrial Business Permit (*Izin Usaha Industri*), hereinafter referred to as IUI, means a permit granted to Any Person to conduct Industrial business activities.
23. Industrial Estate Business Permit (*Izin Usaha Kawasan Industri*), hereinafter referred to as IUKI, means a permit granted to conduct the development and management of an Industrial Estate.

24. Indonesian Standard Classification (*Klasifikasi Baku Lapangan Usaha Indonesia*), hereinafter referred to as KBLI, means a classification of economic activities in Indonesia which is stipulated by the head of an institution administering government affairs in statistics.
25. Central Government means the President of the Republic of Indonesia holding government powers in the Republic of Indonesia who is assisted by a Vice President and ministers, as referred to in the 1945 Constitution of the Republic of Indonesia.
26. Local Government means the head of a region as an administrating element of local government that leads the execution of government affairs which form the authority of an autonomous region.
27. Minister means the minister administering government affairs in the field of industry.
28. Technical Ministers means ministers who hold technical authorities for the regulating, guidance and development of Industry.
29. Government Institution means any ministry and/or any non-ministerial government institution.

Article 2

The regulatory scope of this Government Regulation covers:

- a. Industrial Standardization;
- b. National Industrial Information System;
- c. Industrial Facilities; and
- d. administrative sanctions.

CHAPTER II INDUSTRIAL STANDARDIZATION

Part One

General

Article 3

The objectives of Industrial Standardization are:

- a. to increase quality assurance, production efficiency and national competitiveness, to realize a fair and transparent business competition in trade, to provide business certainty and capabilities to Business Actors, and to upgrade skills in technological innovation;
- b. to increase the level of protection accorded to Consumers, Business Actors, manpower, the public and the State in terms of security, health, safety and preservation of environmental functions; and
- c. to enhance certainty, continuity and efficiency of both domestic and international trade transactions.

Article 4

The regulatory scope of Industrial Standardization covers:

- a. planning;
- b. guidance;
- c. development; and
- d. supervision.

Article 5

Industrial Standardization is undertaken in the form of SNI, Technical Specifications and/or Code of Practice.

Part Two

Planning of Industrial Standardization

Article 6

- (1) The planning of Industrial Standardization is stipulated by the Minister in strategic plans which refer to national policies on Standardization and the National Industrial Policy.
- (2) The strategic plans as referred to in section (1) at least contain:
 - a. targets for the development of Industrial Standardization; and
 - b. operational policies and programs.

Article 7

- (1) The formulation of Industrial Standardization is conducted based on certain guidelines.
- (2) Guidelines for the formulation of SNI are prepared and stipulated in accordance with the legislation.
- (3) Guidelines for the formulation of Technical Specifications and Code of Practice for Industrial goods and/or services are prepared and stipulated by the Minister.
- (4) In the preparation of the guidelines as referred to in section (3), the Minister observes input from Government Institutions, Business Actors, Consumers and experts or academics in relation to Industrial Standardization.

Article 8

- (1) SNI for Industrial goods and/or services is formulated and stipulated in accordance with the legislation.
- (2) Technical Specifications and Code of Practice for Industrial goods and/or services are formulated by the Minister in accordance with the guidelines as referred to in Article 7 section (3).
- (3) The Technical Specifications and the Code of Practice for Industrial goods and/or services as referred to in section (2) are stipulated by the Minister.
- (4) The stipulation of the Technical Specifications and the Code of Practice for Industrial goods and/or services as referred to in section (3) may be conducted simultaneously with the mandatory imposition of Technical Specifications and/or Code of Practice.

Article 9

The voluntary application of SNI on Industrial goods and/or services by an Industrial Company is conducted in accordance with the legislation.

Article 10

- (1) The mandatory imposition of SNI, Technical Specifications and/or Code of Practice is stipulated by the Minister.

- (2) The mandatory imposition of SNI, Technical Specifications and/or Code of Practice as referred to in section (1) is stipulated for the purposes of:
 - a. security, health and safety of humans, animals and plants;
 - b. preservation of environmental functions;
 - c. fair business competition;
 - d. enhancement of competitiveness; and/or
 - e. improvement of Industrial efficiency and performance.
- (3) The imposition as referred to in section (1) applies to Industrial goods and/or services that result from both domestic production and domestically marketed import.
- (4) In stipulating the mandatory imposition of SNI, Technical Specifications and/or Code of Practice as referred to in section (1), the Minister first conducts technical regulatory impact analysis.
- (5) The mandatory imposition of SNI, Technical Specifications and/or Code of Practice as referred to in section (1) includes:
 - a. basis of consideration for the mandatory imposition of SNI, Technical Specifications and/or Code of Practice;
 - b. types of Industrial goods and/or services as well as their Harmonized System (HS) and/or KBLI codes;
 - c. exceptions to the mandatorily imposed SNI, Technical Specifications and/or Code of Practice for the import of certain goods;
 - d. provisions on conformity assessment system;
 - e. use of certificates or statements of conformity and SNI mark or conformity mark; and
 - f. effective time of imposition.
- (6) The exceptions as referred to in section (5) point c are made towards any Industrial goods, whereby:
 - a. the technical characteristics of such goods form a similar product which has its own standards, the scope, classifications and/or quality requirements of which differ from mandatory standards;

- b. such goods are needed as sample products for research and development;
 - c. such goods are needed as sample products for testing to acquire conformity certification; and/or
 - d. such goods are needed as a personal property of a passenger.
- (7) The conformity assessment system as referred to in section (5) point d is run in accordance with the legislation.
 - (8) The effective time of the imposition as referred to in section (5) point f is made to provide an opportunity for Business Actors and related institutions to conduct preparations to fulfill the requirements of mandatorily imposed SNI, Technical Specifications and/or Code of Practice.
 - (9) For any goods and/or services which have already fulfilled mandatorily imposed SNI, Technical Specifications and/or Code of Practice, a certificate or statement of conformity is required to be obtained and be affixed with the SNI mark or conformity marks on the relevant goods, packaging or label.
 - (10) For any Industrial goods and/or services with a physical condition which does not enable the affixing of the SNI mark or conformity mark, certificates or statements of conformity serve as their evidence.
 - (11) Further provisions regarding procedures for the mandatory imposition of SNI, Technical Specifications and/or Code of Practice as referred to in section (1) and the conformity marks as referred to in section (9) and section (10) are regulated in a Ministerial Regulation.

Article 11

- (1) The assessment on conformity with mandatorily imposed SNI, Technical Specifications and/or Code of Practice as referred to in Article 10 section (1) is conducted by a conformity assessment body which has already been accredited in accordance with its scope and appointed by the Minister in accordance with the legislation.

- (2) In the event that the conformity assessment body as referred to in section (1) is not yet available, the Minister may appoint an accredited domestic conformity assessment body with a similar type of scope.
- (3) The appointment of the conformity assessment body as referred to in section (2) is conducted based on the results of competency evaluations.
- (4) The appointment of the conformity assessment body as referred to in section (2) applies for a period of 2 (two) years.
- (5) The Minister supervises the conformity assessment body as referred to in section (1) and section (2) in its implementation of conformity assessment on the application of mandatorily imposed SNI, Technical Specifications and/or Code of Practice.
- (6) Further provisions regarding procedures for the appointment and supervision of conformity assessment bodies are regulated in a Ministerial Regulation.

Part Three

Guidance on Industrial Standardization

Article 12

- (1) The Minister provides guidance to Industrial Companies and the public on the voluntary application of SNI or on the mandatory imposition of SNI, Technical Specifications and/or Code of Practice.
- (2) The guidance as referred to in section (1) may be in the form of technical assistance, consultation, education and training, promotion and dissemination of Industrial Standardization as well as the fostering of standard product awareness.
- (3) The Minister may delegate the authority to provide guidance to Industrial Companies and the public as referred to in section (1) to governors and/or regents/mayors.

Article 13

- (1) The Minister, governors and/or regents/mayors may grant Non-Fiscal Facilities to small-sized Industrial and medium-sized Industrial Companies which have applied mandatorily imposed SNI, Technical Specifications and/or Code of Practice.
- (2) In addition to the Non-Fiscal Facilities as referred to in section (1), small-sized Industrial and medium-sized Industrial Companies which have applied mandatorily imposed SNI, Technical Specifications and/or Code of Practice may be granted fiscal facilities in accordance with the legislation.

Article 14

- (1) Guidance to conformity assessment bodies on the testing, inspection and certification of Industrial goods and/or services for the purposes of applying mandatorily imposed SNI, Technical Specifications and/or Code of Practice as referred to in Article 11 section (1) is conducted by the Minister.
- (2) The guidance as referred to in section (1) includes technical assistance, consultation, education and training.
- (3) The Minister may delegate the authority to provide guidance as referred to in section (2) to governors and/or regents/mayors.

Article 15

- (1) The Minister provides, enhances and develops Industrial standard testing laboratory Facilities and Infrastructure in Industrial growth center areas for the continued mandatory imposition of SNI, Technical Specifications and/or Code of Practice.
- (2) In providing, enhancing and developing Industrial standard testing laboratory Facilities and Infrastructure in Industrial growth center areas as referred to in section (1), the Minister may engage in cooperation with governors and/or regents/mayors.

Part Four
Development of Industrial Standardization

Article 16

For the purposes of developing Industrial Standardization, the Minister conducts:

- a. research and development of Industrial Standardization; and
- b. cooperation in Industrial Standardization at both the national and international levels.

Article 17

The research and development of Industrial Standardization as referred to in Article 16 point a at least cover:

- a. testing technology and quality standards of Industrial goods and/or services;
- b. application of Industrial standards; and
- c. international standards, to be adjusted with the level of protection and differences in climate, the environment, geology, geography or technological skills.

Article 18

- (1) Cooperation in Industrial Standardization at the national level as referred to in Article 16 point b is conducted with stakeholders.
- (2) Cooperation in Industrial Standardization at the international level as referred to in Article 16 point b is conducted with partner countries.

Part Five
Supervision of Industrial Standardization

Article 19

- (1) The Minister supervises the implementation of a complete sequence of:
 - a. voluntary application of SNI as referred to in Article 9; and

- b. mandatory imposition of SNI, Technical Specifications and/or Code of Practice as referred to in Article 10.
- (2) The supervision as referred to in section (1) covers:
- a. supervision in factories; and
 - b. coordination of supervision in markets with related ministries and non-ministerial government institutions.

Article 20

- (1) In conducting the supervision as referred to in Article 19 section (1) point a, the Minister may request conformity assessment bodies to submit reports on issued conformity certificates.
- (2) The Minister conducts evaluation on the reports as referred to in section (1).
- (3) Based on the results of the evaluation as referred to in section (2), the Minister conducts a conformity sampling test on the application of SNI in the factories as referred to in Article 19 section (2) point a.
- (4) In the event that the results of supervision reveal that Industrial goods and/or services in a factory do not conform to a voluntarily applied SNI, the Business Actor is imposed with sanctions in accordance with the legislation.

Article 21

- (1) In conducting supervision on the mandatory imposition of SNI, Technical Specifications and/or Code of Practice as referred to in Article 19 section (1) point b, the Minister assigns PPSI.
- (2) The supervision by PPSI as referred to in section (1) is conducted in both factories and markets.
- (3) The supervision in markets as referred to in section (2) is conducted jointly by PPSI and supervising officers of related ministries and non-ministerial government institutions.

- (4) The results of supervision as conducted by:
 - a. PPSI as referred to in section (2) are reported to the Minister; and
 - b. supervising officers of related ministries and non-ministerial government institutions as referred to in section (3) are reported to the related ministers or heads of institutions.
- (5) The results of the supervision as referred to in section (4) are notified to Business Actors by:
 - a. the Minister for supervision in factories; or
 - b. the Minister, related ministers or heads of institutions for supervision in markets.
- (6) Further provisions regarding procedures for the supervision conducted by PPSI are regulated in a Ministerial Regulation.

Article 22

- (1) Business Actor as referred to in Article 21 section (5) point a reveal that Industrial goods and/or services in a factory do not conform with mandatorily imposed SNI, Technical Specifications and/or Code of Practice, the Business Actor is obligated to suspend its production of such Industrial goods and/or services not later than 3 (three) days upon the receipt of such notification.
- (2) The Business Actor makes corrections on the Industrial goods and/or services that do not conform with mandatorily imposed SNI, Technical Specifications and/or Code of Practice as referred to in section (1).
- (3) In the event the corrections as referred to in section (2) have been made, the Business Actor requests a conformity assessment body to conduct surveillance.
- (4) In the event based on the results of the surveillance as referred to in section (3) the Industrial goods and/or services have already fulfilled the mandatorily imposed SNI, Technical Specifications and/or Code of Practice, the conformity assessment body submits a report to the Minister.

- (5) Based on the report as referred to in section (4), the Minister issues a notification letter to the Business Actor to continue producing industrial goods and/or services.

Article 23

- (1) In the event the results of supervision as notified by the Minister and related ministers or heads of institutions to the Business Actor as referred to in Article 21 section (5) point b reveal that Industrial goods in markets do not conform with mandatorily imposed SNI, Technical Specifications and/or Code of Practice, the Business Actor is obligated to:
 - a. withdraw all Industrial goods which do not conform with such mandatorily imposed SNI, Technical Specifications and/or Code of Practice not later than 1 (one) month as of such notification; and/or
 - b. suspend all activities for the import of Industrial goods which do not conform with such mandatorily imposed SNI, Technical Specifications and/or Code of Practice not later than 3 (three) days as of such notification.
- (2) The Business Actor that has withdrawn the goods as referred to in section (1) point a submits a report to the Minister and related ministers or heads of institutions.
- (3) Costs for the withdrawal of Industrial goods as referred to in section (1) point a are borne by the relevant Business Actor.
- (4) In the event the Industrial goods as referred to in section (1) point a pose high risk and have a direct impact on the security and safety of Consumers, the Minister and related ministers or heads of institutions may directly withdraw the Industrial goods in accordance with the legislation.
- (5) The withdrawal of goods by the Business Actor based on notification of the Minister as referred to in section (1) point a is implemented in accordance with procedures for the withdrawal of goods as stipulated by the Minister.

- (6) The withdrawal of goods by the Business Actor based on the notification of related ministers or heads of institutions as referred to in section (1) point a and the suspension of import activities as referred to in section (1) point b are implemented in accordance with the legislation.

Article 24

The Minister, related ministers and/or heads of institutions disseminate information to the public in relation to Industrial goods and/or services which must be withdrawn from circulation or for which activities must be suspended by a Business Actor.

Article 25

- (1) In the event the results of supervision as referred to in Article 21 section (2) reveal the occurrence of an alleged crime, PPSI coordinates with Civil Servant Investigating Officials in industrial affairs.
- (2) In the event the results of supervision as referred to in Article 21 section (3) reveal the occurrence of an alleged crime, PPSI and/or supervising officers of related ministries and non-ministerial government institutions coordinate with Civil Servant Investigators in industrial affairs and/or in other fields for follow-up.
- (3) Civil Servant Investigators in industrial affairs as referred to in section (1) and section (2) conduct investigations in accordance with the Criminal Procedures Code and the Law on Industrial Affairs.
- (4) Civil Servant Investigators in other fields as referred to in section (2) conduct investigations in accordance with the legislation.

Article 26

- (1) The Minister provides guidance to PPSI and Civil Servant Investigators in Industrial affairs.
- (2) The guidance as referred to in section (1) includes education and training.

CHAPTER III
NATIONAL INDUSTRIAL INFORMATION SYSTEM

Part One
General

Article 27

- (1) To support national Industrial development through the provision of accurate, complete and timely data and information, reliable information technology infrastructure and governance are required in accordance with the needs of Industrial stakeholders.
- (2) The provision of reliable information technology infrastructure and governance as referred to in section (1) are realized in the form of the National Industrial Information System.

Article 28

The undertaking of the National Industrial Information System as referred to in Article 27 section (2) covers:

- a. building and development of information system;
- b. management of information system;
- c. procurement of data and provision of information;
- d. dissemination of data and information; and
- e. guidance and supervision on information system.

Article 29

The National Industrial Information System is undertaken based on the principles of:

- a. connectivity;
- b. facilities in submitting and adjusting information, and in obtaining access to information services;
- c. protection of intellectual property;
- d. protection against unfair business competition; and
- e. protection of system security and confidentiality of data and/or information.

Part Two

Establishment and Development of Information System

Article 30

- (1) The National Industrial Information System is established and developed by the Minister.
- (2) The National Industrial Information System as referred to in section (1) covers:
 - a. administrators of information system;
 - b. hardware and software;
 - c. data communication networks;
 - d. data centers and disaster recovery centers;
 - e. human resources;
 - f. procurement of data;
 - g. processing of data and information; and
 - h. dissemination and use of data and/or information.
- (3) The use of hardware and software as referred to in section (2) point b must be adjusted with the needs for and developments in information technology as well as observe:
 - a. the aspects of interconnectivity and interoperability of technology;
 - b. neutrality of technology;
 - c. security;
 - d. reliability of operations;
 - e. open standards; and
 - f. intellectual property rights in accordance with the legislation.
- (4) The data communication networks as referred to in section (2) point c consist of main internet networks and backup internet networks from varying internet service providers.
- (5) The data centers and the disaster recovery centers as referred to in section (2) point d must be located within the territory of the Republic of Indonesia.
- (6) The human resources as referred to in section (2) point e must have knowledge and/or competency in information technology and/or statistics.

- (7) The knowledge and/or competency as referred to in section (6) may be accounted for both academically and/or in practice.
- (8) The enhancement of knowledge and/or competency in information technology and/or statistics as referred to in section (6) is conducted by the Central Government, provincial Governments and regency/municipal Governments through education and/or trainings.

Article 31

- (1) The National Industrial Information System as referred to in Article 30 is connected with information systems as developed by ministries or non-ministerial government institutions, provincial Governments and regency/municipal Governments, and is able to interact with information systems of other countries or international organizations.
- (2) The National Industrial Information System as referred to in section (1) may be connected with information systems as developed by the business sector.
- (3) To ensure connection between the National Industrial Information System and Industrial Information systems in regions, provincial Governments and regency/municipal Governments establish Industrial Information systems in provinces and regencies/municipalities.

Article 32

- (1) The establishment and development of the National Industrial Information System are conducted through the following activities:
 - a. planning of system;
 - b. analysis of system;
 - c. designing of system;
 - d. development of software;
 - e. provision of hardware;
 - f. system trial runs;
 - g. implementation of system;

- h. maintenance of system; and
 - i. evaluation of system.
- (2) The activities as referred to in section (1) are conducted in accordance with guidelines as stipulated by the Minister.

Article 33

The establishment and development of information systems may be conducted by a third party, provided that:

- a. intellectual property rights on the information systems are owned by administrators of the National Industrial Information System; and
- b. source codes and documentation on software made by the third party in the framework of the National Industrial Information System must be delivered to and stored by administrators of the National Industrial Information System.

Part Three

Management of Information System

Article 34

The National Industrial Information System is managed by a working unit which handles data and information within the auspices of the ministry administering government affairs in the field of industry.

Article 35

- (1) In managing the National Industrial Information System, the working unit as referred to in Article 34 conducts:
- a. maintenance and development of applications;
 - b. maintenance and development of data communication networks;
 - c. procurement of data;
 - d. sending of feedback to data sources;
 - e. processing of data and information;
 - f. storing, maintenance and provision of data and information along with their backup.

- g. implementation of data analysis;
 - h. dissemination of data and/or information;
 - i. provision of access; and
 - j. implementation, monitoring, evaluation, guidance and supervision of information system.
- (2) The working unit as referred to in section (1) may, in efficiently and effectively managing the National Industrial Information System, engage in cooperation and coordination with any ministry, non-ministerial government institution and/or Local Government.
- (3) The cooperation and coordination as referred to in section (2) are conducted in accordance with the legislation.

Article 36

- (1) In the event the working unit as referred to in Article 34 does not yet have adequate human resources, it may engage a third party.
- (2) A working unit which engages the third party as referred to in section (1) remains responsible for the storing and controlling of access to data and information.
- (3) The third party as referred to in section (2) must:
- a. have knowledge and/or competency in information technology and/or statistics;
 - b. provide services in the form of technical assistance, trainings, operating of the National Industrial Information System and handling of any interruptions or damages; and
 - c. keep the confidentiality of any data and/or information.
- (4) Work relations between the working unit and the third party as referred to in section (2) are implemented based on contract in accordance with the legislation.

Article 37

- (1) In managing the National Industrial Information System, the working unit as referred to in Article 34 must conduct security measures in accordance with security standards.

- (2) The securing of the National Industrial Information System by the working unit as referred to in section (1) must ensure the availability, wholeness and confidentiality of data and/or information.
- (3) The securing of the National Industrial Information System as referred to in section (2) is conducted by the following means:
 - a. to determine criteria and limits to the access rights of users of data and/or information;
 - b. to regularly maintain, store and provide backup data and/or information; and
 - c. to create a system for the prevention of any damages to data and/or information.
- (4) The security standards as referred to in section (1) and the confidentiality of data and/or information as referred to in section (2) are implemented in accordance with the legislation.

Article 38

Further provisions regarding the management of the National Industrial Information System are regulated in a Ministerial Regulation.

Part Four

Procurement of Data and Provision of Information

Paragraph 1

General

Article 39

- (1) In undertaking the National Industrial Information System, accurate, complete and timely data and/or information are required.
- (2) The data as referred to in section (1) at least cover:
 - a. Industrial Data;
 - b. Industrial Estate Data;

- c. data on market developments and opportunities; and
 - d. data on developments in Industrial Technology.
- (3) The information as referred to in section (1) at least covers the following information:
- a. Industrial developments;
 - b. market developments and opportunities;
 - c. developments in Industrial Technology;
 - d. developments in Industrial investments;
 - e. Industrial region;
 - f. Industrial Facilities and Infrastructure;
 - g. Industrial resources; and
 - h. Industrial policies, trade and Industrial facilities.

Paragraph 2

Data

Article 40

- (1) Industrial Data as referred to in Article 39 section (2) point a consist of:
- a. Industrial Data at the development stage; and
 - b. Industrial Data at the production stage.
- (2) The Industrial Data as referred to in section (1) point a at least contain data on:
- a. identities of company owners and company legality;
 - b. Industrial grouping pursuant to KBLI;
 - c. production capacity;
 - d. investments and sources of financing; and
 - e. manpower.
- (3) The Industrial Data as referred to in section (1) point b at least contain data on:
- a. identities of company owners and company legality;
 - b. Industrial grouping pursuant to KBLI;
 - c. production capacity;
 - d. investments and sources of financing;
 - e. manpower;
 - f. machinery and equipment;
 - g. raw materials and auxiliary materials;

- h. energy;
- i. distilled water;
- j. production;
- k. marketing; and
- l. Facilities and Infrastructure for environmental management.

Article 41

- (1) Industrial Estate Data as referred to in Article 39 section (2) point b consist of:
 - a. Industrial Estate Data at the development stage; and
 - b. Industrial Estate Data at the commercial stage;
- (2) The Industrial Estate Data as referred to in section (1) point a at least contain data on:
 - a. identities of company owners and company legality;
 - b. investments and sources of financing;
 - c. land and land blocks; and
 - d. Facilities and Infrastructure.
- (3) The Industrial Estate Data as referred to in section (1) point b at least contain data on:
 - a. identities of company owners and company legality;
 - b. investments and sources of financing;
 - c. land and land blocks;
 - d. Facilities and Infrastructure; and
 - e. Industrial Companies in an Industrial Estate.

Article 42

- (1) Industrial Data and Industrial Estate Data are recorded under a single identity for each Industrial Company and Industrial Estate Company.
- (2) The single identity as referred to in section (1) is used in the framework of interoperability between the National Industrial Information System and information systems as developed by other institutions.

Article 43

Data on market developments and opportunities as referred to in Article 49 section (2) point c at least contain data on:

- a. export and import;
- b. consumption of Industrial products;
- c. requests for trade information;
- d. Industrial policies, trade and Industrial facilities; and
- e. agenda on national and international exhibitions.

Article 44

Data on developments in Industrial Technology as referred to in Article 39 section (2) point d at least contain data on:

- a. results of applied research in relation to Industry;
- b. intellectual property rights;
- c. Industrial design and engineering;
- d. joint ventures, assignments/purchases of rights through licensing, acquisitions of technology, or turnkey projects, and cooperation in technology;
- e. results of audits on Industrial Technology; and
- f. types, countries of origin and manufacturing years of technology.

Paragraph 3

Information

Article 45

- (1) Information on Industrial developments as referred to in Article 39 section (3) point a at least contain the results of processing of Industrial Data and Industrial Estate Data at both the development and the production/commercial stages.
- (2) Information on market developments and opportunities as referred to in Article 39 section (3) point b at least contain results of data processing on:
 - a. export and import;
 - b. consumption of Industrial products;
 - c. requests for trade information; and
 - d. agenda on national and international exhibitions.
- (3) Information on developments in Industrial Technology as referred to in Article 39 section (3) point c at least contain results of data processing on:

- a. results of applied research in relation to Industry;
 - b. intellectual property rights;
 - c. Industrial design and engineering;
 - d. joint ventures, assignments/purchases of rights through licensing, acquisitions of technology, turnkey projects, and/or cooperation in technology;
 - e. results of audits on Industrial Technology; and
 - f. type, country of origin and manufacturing year of technology.
- (4) Information on developments in Industrial investments as referred to in Article 39 section (3) point d at least contain the results of processing of Industrial investment data deriving from both domestic and/or foreign investors.
- (5) Information on Industrial region as referred to in Article 39 section (3) point e at least contain results of data processing on:
- a. area spatial plans;
 - b. regional resources potential on a national scale;
 - c. supremacy of regional resources; and/or
 - d. enhancement of added value throughout the value chain.
- (6) Information on Industrial Facilities and Infrastructure as referred to in Article 39 section (3) point f at least contain results of processing of Industrial Standardization and Industrial infrastructure.
- (7) Information on Industrial resources as referred to in Article 39 section (3) point g at least contain results of data processing on:
- a. Industrial human resources;
 - b. natural resources;
 - c. development and utilization of Industrial Technology;
 - d. development and utilization of creativity and innovation; and
 - e. provision of sources of financing.
- (8) Information on Industrial policies, trade and Industrial facilities as referred to in Article 39 section (3) point h at least contain results of processing of data on domestic

Industrial policies, trade and Industrial facilities and/or those of partner countries.

Paragraph 4

Sources of Data and Information

Article 46

- (1) Industrial Data is derived from Industrial Companies.
- (2) Industrial Estate Data is derived from Industrial Estate Companies.
- (3) Industrial Information is derived from the Minister and Local Governments.
- (4) In addition to the sources as referred to in section (1), section (2), and section (3), data and/or information may also derive from:
 - a. Government Institutions;
 - b. universities;
 - c. business sector associations;
 - d. national institutions;
 - e. international institutions; and/or
 - f. the public.

Paragraph 5

Collection of Industrial Data or Information

Article 47

The collection of data or information is conducted by:

- a. submission of Industrial Data from Industrial Companies and Industrial Estate Data from Industrial Estate Companies;
- b. submission of Industrial Information from governors and regents/mayors;
- c. procurement of data on market developments and opportunities as well as data on developments in Industrial Technology; and
- d. procurement of other data or information.

Article 48

- (1) Industrial Companies are obligated to periodically submit Industrial Data as referred to in Article 40 in an accurate, complete and timely manner to the Minister, governors and regents/mayors.
- (2) Industrial Estate Companies are obligated to periodically submit Industrial Estate Data as referred to in Article 41 in an accurate, complete and timely manner to the Minister, governors and regents/mayors.
- (3) The submission of Industrial Data or Industrial Estate Data as referred to in section (1) and section (2) is conducted through the National Industrial Information System.
- (4) The Minister, governors and regents/mayors grant facilities to Industrial Companies or Industrial Estate Companies in submitting Industrial Data or Industrial Estate Data and accessing information.
- (5) Business sector associations may assist Industrial Companies or Industrial Estate Companies in submitting Industrial Data or Industrial Estate Data.

Article 49

Based on the request of the Minister, an Industrial Company and an Industrial Estate Company are obligated to provide data other than the Industrial Data as referred to in Article 40 and the Industrial Estate Data as referred to in Article 41 in relation to:

- a. additional data;
- b. clarification of data; and/or
- c. any extraordinary event at such Industrial Company or Industrial Estate Company.

Article 50

- (1) Governors and regents/mayors must periodically submit Industrial Information to the Minister through the National Industrial Information System.
- (2) Other than the Industrial Information as referred to in section (1), governors and regents/mayors submit

information on the implementation of Industrial building, development and guidance in their respective regions.

- (3) The Industrial Information as referred to in section (1) and section (2) serve as materials of consideration for the Minister in formulating national Industrial policies.

Article 51

Further provisions regarding procedures for the submission of the Industrial Data and the Industrial Estate Data as referred to in Article 48 and Article 49, and the Industrial Information and other information as referred to in Article 50 are regulated in a Ministerial Regulation.

Article 52

- (1) The Minister procures data on market developments and opportunities and on developments in Industrial Technology.
- (2) The procurement of data as referred to in section (1) is at least conducted through:
 - a. census, data collection or survey activities;
 - b. data exchange;
 - c. technical cooperation;
 - d. purchase; and
 - e. Industrial intelligence.
- (3) The data as referred to in section (2) are submitted through the National Industrial Information System.

Article 53

- (1) The census as referred to in Article 52 section (2) point a is conducted by a working unit under the Minister in cooperation with an institution engaging in statistics.
- (2) The data collection or survey as referred to in Article 52 section (2) point a is conducted by a working unit under the Minister and/or state officials placed in all representative offices of the Republic of Indonesia in other countries through cooperation with other parties.
- (3) The exchange of data as referred to in Article 52 section (2) point b is conducted by a working unit under the

Minister and/or state officials placed in all representative offices of the Republic of Indonesia in other countries with related institutions.

- (4) The technical cooperation as referred to in Article 52 section (2) point c is conducted by a working unit under the Minister and/or state officials placed in all representative offices of the Republic of Indonesia in other countries with other countries or international institutions/organizations.
- (5) The purchase as referred to in Article 52 section (2) point d is made by a working unit under the Minister and/or state officials placed in all representative offices of the Republic of Indonesia in other countries with data provider institutions.
- (6) The Industrial intelligence as referred to in Article 52 section (2) point e is conducted by a working unit under the Minister and/or state officials placed in all representative offices of the Republic of Indonesia in other countries through Industrial analysis activities.

Article 54

- (1) The Minister may procure other data or information besides the procurement of data as referred to in Article 52 section (1).
- (2) Other data or information as referred to in section (1) are submitted through the National Industrial Information System.

Article 55

Further provisions regarding the procurement of data are regulated in a Ministerial Regulation.

Paragraph 6

Processing of Data and Information

Article 56

- (1) Processing of the data as referred to in Article 39 section (2) and the data as referred to in Article 54 is conducted

through the use of electronic systems having electronic transactions capability in accordance with the legislation.

- (2) Results of the processing of data and information as referred to in section (1) are in the form of the information as referred to in Article 39 section (3).

Article 57

- (1) The processing of data and information at least covers:
 - a. processing;
 - b. analysis; and
 - c. presentation.
- (2) The processing as referred to in section (1) point a is at least conducted by means of:
 - a. clarification and validation;
 - b. codification;
 - c. change of form; and
 - d. grouping.
- (3) In conducting the analysis as referred to in section (1) point b, administrators of the National Industrial Information System may first conduct data mining from data storages.
- (4) The analysis as referred to in section (1) point b may be conducted through the use of analysis tools which is at least in the form of executive information systems, decision support systems and other business intelligence tools.
- (5) The presentation as referred to in section (1) point c is conducted in the following forms:
 - a. textual;
 - b. numeric;
 - c. spatial; and/or
 - d. others, in accordance with developments in science and technology.
- (6) The presentation as referred to in section (5) may be conducted through electronic media and/or non-electronic media.
- (7) Further provisions regarding the processing of data and information are regulated in a Ministerial Regulation.

Paragraph 7
Storing of Data and Information

Article 58

- (1) The storing of data and information is conducted in databases and/or data storages in safe and undamaged or in easily located media through the use of electronic storing media.
- (2) The databases as referred to in section (1) must be managed in accordance with the legislation.

Part Five
Dissemination of Data and Information

Article 59

- (1) The Minister disseminates data and/or information through the National Industrial Information System.
- (2) The data and/or information as referred to in section (1) exclude:
 - a. Industrial Data or Industrial Estate Data which may be detrimental to the interests of Industrial Companies in terms of protection of intellectual property rights and unfair business competition; and
 - b. data and/or information which have been excluded in accordance with the legislation.
- (3) The dissemination of data and/or information through the National Industrial Information System as referred to in section (1) is conducted through the granting of access.
- (4) Further provisions regarding the dissemination of data and/or information are regulated in a Ministerial Regulation.

Article 60

- (1) Any officials from the Government and Local Governments are prohibited from conveying and/or publishing Industrial Data and/or Industrial Estate Data which may be detrimental to the interests of a company in terms of protection of intellectual property rights and unfair business competition.

- (2) In the event the Minister receives a report on an alleged violation of the prohibition as referred to in section (1), the Minister establishes a technical inquiry team.
- (3) The technical inquiry team as referred to in section (2) consists of elements of the Central Government, Local Governments and/or experts.
- (4) The technical inquiry team as referred to in section (2) is authorized to conduct inquiries at the national, provincial and regency/municipal levels.
- (5) The results of inquiry of the technical inquiry team as referred to in section (3) are submitted to the Minister.
- (6) In the event the inquiry results reveal a violation of the prohibition as referred to in section (1), the Minister conveys the results of such inquiry to relevant personnel administrating officials for follow-up in accordance with the legislation.
- (7) Further provisions regarding the criteria of unfair business competition, establishment of the technical inquiry team and procedures for inquiry are regulated in a Ministerial Regulation.

Part Six

Guidance on and Supervision of Information Systems

Article 61

- (1) The Minister, governors and regents/mayors in accordance with their respective authorities conduct guidance and supervision on:
 - a. interconnectivity, interoperability of technology, security and reliability of operations; and
 - b. continuity, accuracy and updating of data and/or information.
- (2) The guidance and supervision as referred to in section (1) are at least implemented through:
 - a. advocacy and dissemination;
 - b. education and trainings; and/or
 - c. monitoring and evaluation.

- (3) Further provisions regarding guidance and supervision are regulated in a Ministerial Regulation.

CHAPTER IV INDUSTRIAL FACILITIES

Article 62

- (1) The Central Government and Local Governments may grant facilities to Industrial Companies or Industrial Estate Companies to accelerate Industrial development.
- (2) Industrial Companies or Industrial Estate Companies that are eligible to receive the Industrial facilities as referred to in section (1) cover:
 - a. any Industrial Company which has conducted investments to acquire and enhance utmost added value on the utilization of national resources to deepen Industrial structure and enhance Industrial competitiveness;
 - b. any Industrial Company which has conducted research on and development of Industrial Technology and products;
 - c. any Industrial Company and/or Industrial Estate Company which are located in border regions or disadvantaged regions;
 - d. any Industrial Company and/or Industrial Estate Company which have optimized the use of domestic goods and/or services;
 - e. any Industrial Company and/or Industrial Estate Company which have developed human resources in Industry;
 - f. any export-oriented Industrial Company;
 - g. small-sized Industrial and medium-sized Industrial Companies which have applied mandatorily imposed SNI, Technical Specifications and/or Code of Practice;
 - h. small-sized Industrial and medium-sized Industrial Companies which have utilized natural resources in

an efficient, environmentally friendly and sustainable manner;

- i. any Industrial Company which has made efforts to realize the green Industry; and/or
- j. any Industrial Company which prioritizes the use of products of small-sized Industries as a component in its production process.

Article 63

- (1) The facilities as referred to in Article 62 are in the form of fiscal facilities and Non-Fiscal Facilities.
- (2) The fiscal facilities as referred to in section (1) are granted in accordance with the legislation.
- (3) The Non-Fiscal Facilities as referred to in section (1) may be in the form of:
 - a. trainings for the increase of knowledge and skills of Industrial human resources;
 - b. professional competency certification for Industrial human resources;
 - c. delegation of production rights over technology, the patent licenses of which are held by the Central Government and/or Local Governments;
 - d. guidance on the security and/or safeguarding of operational activities in the Industrial sector for the sustainability or continued running of logistic and/or production activities for certain Industrial Companies or Industrial Estate Companies which constitute vital national objects.
 - e. product certification and/or technical standards for small-sized Industrial and medium-sized Industrial Companies;
 - f. building of physical Infrastructure for small-sized Industrial and medium-sized Industrial Companies and Industrial Estate Companies which are located in border regions or disadvantaged regions; and/or
 - g. provision of assistance for the promotion of products for Industrial Companies or the promotion of location use for Industrial Estate Companies.

- (4) Under certain circumstances, the Minister may determine forms of Non-Fiscal Facilities other than those as referred to in section (3).

Article 64

Besides the Industrial Companies or the Industrial Estate Companies as referred to in Article 62 section (2), Non-Fiscal Facilities may also be granted by the Central Government and/or Local Governments to any Industrial Company which conducts strategic Industrial activities in accordance with the legislation.

Article 65

An Industrial Company or an Industrial Estate Company which is eligible to receive any Non-Fiscal Facility at least fulfills the following:

- a. it holds an Industrial Business Permit (IUI) or an Industrial Estate Business Permit (IUKI); and
- b. it has fulfilled all of its taxation obligations.

Article 66

- (1) An Industrial Company or an Industrial Estate Company files an application to be eligible for any Non-Fiscal Facility to the Minister, the Technical Ministers, governor or regent/mayor as administrator for the granting of any form of Non-Fiscal Facilities.
- (2) The application as referred to in section (1) is completed with supporting documents which evidence conformity with the fulfillment of the provisions as referred to in Article 62 section (2) or Article 64, and Article 65.

Article 67

- (1) The granting of any form of Non-Fiscal Facilities is implemented by the Minister, the Technical Ministers, governors or regents/mayors in accordance with their respective authorities.

- (2) In undertaking the granting of any form of Non-Fiscal Facilities as referred to in section (1), the Technical Ministers, governors or regents/mayors refer to the guidelines as stipulated by the Minister.
- (3) The granting of any form of Non-Fiscal Facilities as referred to in section (2) is implemented based on the annual work plan of the relevant working unit.

Article 68

- (1) The Minister, the Technical Ministers, governors or regents/mayors implement monitoring and evaluation activities on the utilization of any form of Non-Fiscal Facilities by Industrial Companies and/or Industrial Estate Companies.
- (2) Monitoring and evaluation activities on the utilization of Non-Fiscal Facilities are obligated to be conducted for every one budget year.
- (3) Further provisions regarding procedures and means for the implementation of monitoring and evaluation activities on the utilization of Non-Fiscal Facilities are regulated in Regulations of the Minister, the Technical Ministers, governors or regents/mayors.

CHAPTER V

ADMINISTRATIVE SANCTIONS

Article 69

- (1) A Business Actor which fails to suspend activities for the production of Industrial goods and/or services as referred to in Article 22 section (1) and/or fails to withdraw all of the goods as referred to in Article 23 section (1) point a is imposed with administrative sanctions in the form of:
 - a. administrative fines;
 - b. temporary closing;
 - c. suspension of IUI; and/or
 - d. revocation of IUI.

- (2) The administrative sanctions as referred to in section (1) point a and point b are imposed by the Minister.
- (3) The administrative sanctions as referred to in section (1) point c and point d are imposed by an IUI issuing institution in accordance with its authorities based on a recommendation of the Minister.

Article 70

- (1) The administrative fines as referred to in Article 69 section (1) point a are imposed for a maximum amount of Rp1,000,000,000.00 (one billion rupiah).
- (2) The imposition of administrative fines as referred to in section (1) is stipulated based on estimated costs for the withdrawal of Industrial goods.
- (3) Payment of the administrative fines as referred to in section (1) is made not later than 14 (fourteen) working days upon the receipt of a letter on their imposition.

Article 71

- (1) A Business Actor which fails to pay the administrative fines in accordance with the amount and/or within the period as referred to in Article 70 and fails to suspend production activities for Industrial goods and/or services, and/or fails to withdraw all goods is imposed with administrative sanction in the form of temporary closing.
- (2) In the event the Business Actor as referred to in section (1) has already paid the administrative fines as referred to in Article 70 but fails to suspend production activities for Industrial goods and/or services and/or fails to withdraw all goods within a period of 7 (seven) working days as of the deadline for such payment, it is imposed with administrative sanction in the form of temporary closing.
- (3) The temporary closing as referred to in section (1) and section (2) is imposed along with the suspension of its conformity certificate.
- (4) An Industrial Company that has been imposed with sanction in the form of the temporary closing as referred

to in section (1) and section (2) is also imposed with the suspension of its IUI and is prohibited from continuing with all production activities.

- (5) An Industrial Company that has been imposed with sanction in the form of the temporary closing as referred to in section (4) but fails to fulfill its obligations within a period of 3 (three) months is imposed with sanction in the form of revocation of its IUI.

Article 72

The administrative fines as referred to in Article 70 section (1) constitute non-tax state revenues.

Article 73

- (1) An Industrial Company which fails to submit the Industrial Data as referred to in Article 48 section (1) and Article 49 is imposed with administrative sanctions in the form of:
 - a. written warnings;
 - b. administrative fines;
 - c. temporary closing;
 - d. suspension of IUI; and/or
 - e. revocation of IUI.
- (2) An Industrial Estate Company which fails to submit the Industrial Estate Data as referred to in Article 48 section (2) and Article 49 is imposed with administrative sanctions in accordance with the legislation.

Article 74

The written warnings as referred to in Article 73 section (1) are imposed for a maximum 3 (three) consecutive times with a respective period of 30 (thirty) days.

Article 75

- (1) An Industrial Company which has been imposed with administrative sanction in the form of written warnings and fails to make corrections within the period as referred

to in Article 74 is imposed with sanction in the form of administrative fines.

- (2) The administrative fines as referred to in section (1) refer to the tariff amounts as stipulated in a government regulation on the types and tariffs of non-tax state revenues in the field of industry.
- (3) Payment of the administrative fines as referred to in section (2) is made not later than 30 (thirty) days upon the receipt of letter on their imposition.

Article 76

- (1) An Industrial Company which fails to fulfill its obligations and fails to pay administrative fines in accordance with the amounts and within the period as referred to in Article 75 is imposed with administrative sanction in the form of temporary closing.
- (2) In the event the Industrial Company as referred to in section (1) has already paid the administrative fines as referred to in Article 75 but fails to fulfill its obligations within a period of 30 (thirty) days as of the deadline for such payment, it is imposed with administrative sanction in the form of temporary closing.
- (3) Administrative sanction in the form of temporary closing for the Industrial Company is imposed for 30 (thirty) days.

Article 77

An Industrial Company which has been imposed with sanction in the form of temporary closing is prohibited from continuing with its construction or production activities.

Article 78

- (1) In the event an Industrial Company fails to fulfill its obligations and/or fails to pay administrative fines since the expiration date of the administrative sanction in the form of temporary closing as referred to in Article 76 section (3), it is imposed with administrative sanction in the form of suspension of its IUI.

- (2) The suspension of IUI as referred to in section (1) is valid for a maximum period of 3 (three) months as of the date of issuance of letter on the stipulation of suspension.
- (3) An Industrial Company which fails to pay administrative fines and to fulfill its obligations may file an application for the lifting of its IUI revocation status.

Article 79

In the event an Industrial Company fails to pay administrative fines and/or to fulfill its obligations since the expiration date of administrative sanction in the form of suspension of its IUI as referred to in Article 78 section (3), it is imposed with administrative sanction in the form of revocation of its IUI.

Article 80

- (1) The Minister, governors and regents/mayors in accordance with their authorities impose the administrative sanctions as referred to in Article 73 on Industrial Companies.
- (2) The administrative sanctions as referred to in section (1) are imposed based on the results of inquiries on reports which have derived from:
 - a. complaints; and/or
 - b. follow-up on results of supervision.
- (3) In imposing administrative sanctions, the governors and regents/mayors as referred to in section (1) refer to the norms, standards, procedures and criteria for the imposition of administrative sanctions as stipulated by the Minister.

Article 81

Governors and regents/mayors are obligated to submit reports on the suspension, lifting of suspension status and revocation of IUI to the Minister.

Article 82

The administrative fines as referred to in Article 75 section (2) constitute non-tax state revenues or regional revenues.

Article 83

Further provisions regarding violations of the obligation to submit Industrial Data are regulated in a Ministerial Regulation.

Article 84

Officials of a Government Institution and a Local Government which have conveyed and/or published the data as referred to in Article 60 are imposed with sanctions in accordance with legislation in personnel affairs.

CHAPTER VI
CLOSING PROVISIONS

Article 85

At the time this Government Regulation comes into force:

- a. all legislation constituting the implementation of Industrial Standardization, Industrial Estates, the National Industrial Information System and Non-Fiscal Facilities are declared to remain in effect insofar as they are not in contrary to this Government Regulation;
- b. Industrial Data and Industrial Estate Data which have already been submitted by Industrial Companies and Industrial Estate Companies constitute Industrial Data and Industrial Estate Data in accordance with this Government Regulation;
- c. Industrial Data and Industrial Estate Data which have already been submitted but have not fulfilled the provisions of this Government Regulation are required to be adjusted with the provisions of this Government Regulation.

Article 86

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

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

Issued in Jakarta
on 11 January 2017

PRESIDENT OF THE REPUBLIC OF INDONESIA,

Signed

JOKO WIDODO

Promulgated in Jakarta
on 12 January 2017

MINISTER OF LAW AND HUMAN RIGHTS
OF THE REPUBLIC OF INDONESIA,

Signed

YASONNA H. LAOLY

STATE GAZETTE OF THE REPUBLIC OF INDONESIA OF 2017 NUMBER 9

Jakarta, 5 November 2018

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

DIRECTOR GENERAL OF LEGISLATION,



WIDODO EKATJAHJANA

ELUCIDATION OF
REGULATION OF THE GOVERNMENT
OF THE REPUBLIC OF INDONESIA
NUMBER 2 OF 2017
ON
DEVELOPMENT OF INDUSTRIAL
FACILITIES AND INFRASTRUCTURE

I. GENERAL

Policies for the development of the national Industry are directed towards responding to the challenges of globalization in the world economy and being able to anticipate rapid environmental changes and international competition. The focus of Industrial development strategies in the future is therefore to build sustainable Industrial competitiveness both in domestic and offshore markets. Sustainable competitiveness is built by optimally striving to exploit all potential national resources as well as the ability to maximize both offshore and domestic opportunities. The essence of sustainable competitiveness lies in efforts to mobilize and organize all potential productive resources to produce innovative products which are cheaper, better and more accessible in the framework of meeting market needs and demands.

For the purposes of realizing the development of a competitive national Industry, support in the form of provision of adequate Industrial Facilities and Infrastructure is required. Such facilities and infrastructure may be in physical form such as Industrial Estates and in non-physical form such as standardization, the National Industrial Information System and non-fiscal policies.

Efforts to undertake Industrial Standardization through the planning, application, imposition, guidance and supervision of Indonesian National Standards, Technical Specifications and/or Code of Practice for Industrial goods and/or services as mandated under Law Number 3 of 2014 on Industrial Affairs are aimed at enhancing national Industrial competitiveness, assuring the quality of Industrial production, protecting Consumers in terms of quality of Industrial goods and/or services in the aspects of security, health, safety and the environment, and creating healthy and fair business competition.

The optimized utilization of information technology is a key factor in facing international Industrial competition. Changes in business processes and trade patterns go along with the importance of management and in-depth mastery of data and information, the reforming of Facilities and Infrastructure as well as human resources as process executors, and a system of regulations which strives to defend national interests in trade. It is necessary to regard data and information as strategically important assets which serve as grounds for the determination of policies and planning. Accordingly, submissions of data no longer serve as an obligation but as one of the vital methods of developing organizations and developing the national Industry.

Various changes in processes, mindsets and other supporting resources also certainly need to be supported with various principles such as: the principle of economic democracy, the principle of national interest, the principle of certainty in conducting business, and good governance. The development of the national Industry may therefore be regarded as one integral matter, with every element of Industrial affairs supporting one another to achieve joint success.

The National Industrial Information System is developed to fulfill various needs for data and information for the national Industry. With the National Industrial Information System, it is hoped that the conveying, management, presentation, servicing and dissemination of Industrial data and Information may be well facilitated so that they would be able to support the development of the national Industry.

The National Industrial Information System is established and developed with the objectives of ensuring the availability, quality, confidentiality of and access to data and/or information; accelerating their collection, conveying/procurement, processing/treatment, analysis, storing

and presentation, including the dissemination of data and/or information in an accurate, complete and timely manner; and realizing the undertaking of the National Industrial Information System which increases efficiency and effectiveness, innovation, and public services, to support the development of the national Industry.

Targets for the undertaking of the National Industrial Information System include availability of reliable information technology infrastructure and governance; availability of information systems which accommodate the needs of stakeholders; implementation of online submissions of reports by Industrial Companies and Industrial Estate Companies; availability of data on market developments and opportunities as well as data on developments in Industrial Technology; connecting of the National Industrial Information System with information systems as developed by ministries or non-ministerial government institutions, provincial governments, and regency/municipal governments; availability of Industrial system models to serve as grounds in the formulation of national policies; dissemination of the National Industrial Information System to all stakeholders; and periodical publication of reports on the results of Industrial Data analysis.

In the context of global competition whereby the development of the domestic Industry must be accelerated, the role of development of Industrial Facilities and Infrastructure has become increasingly crucial. To support such role, intervention by the Central Government and/or Local Governments is required, one of the forms of which is the granting of facilities in Industrial business. In practice, such facilities are often identified as Non-Fiscal Facilities. The effectiveness of granting of Non-Fiscal Facilities in accelerating Industrial development may be maintained by the concept of limited and conditional granting of Non-Fiscal Facilities. The limited granting of facilities means that facilities will only be granted by the Central Government and/or Local Governments to Industrial Companies and Industrial Estate Companies which have already fulfilled certain criteria in the framework of acceleration of Industrial development. The conditional granting of facilities, on the other hand, means that facilities may only be received by Industrial Companies and Industrial Estate Companies upon the filing of applications to the Central Government and/or Local Governments and upon fulfilling the conditions to obtain some form of facility.

Based on this framework, Law Number 3 of 2014 on Industrial Affairs has mandated the implementation of Development of Industrial Facilities and Infrastructure to create a strong and competitive national Industry.

II. ARTICLE BY ARTICLE

Article 1

Sufficiently clear.

Article 2

Sufficiently clear.

Article 3

Sufficiently clear.

Article 4

Sufficiently clear.

Article 5

Sufficiently clear.

Article 6

Sufficiently clear.

Article 7

Section (1)

Sufficiently clear.

Section (2)

The term “legislation” means legislation in standardization.

Section (3)

Sufficiently clear.

Section (4)

Sufficiently clear.

Article 8

Sufficiently clear.

Article 9

Sufficiently clear.

Article 10

Section (1)

Sufficiently clear.

Section (2)

Sufficiently clear.

Section (3)

Sufficiently clear.

Section (4)

Analysis is conducted before the formulation of a draft technical regulation.

Section (5)

Point a

The term “basis of consideration for the mandatory imposition of SNI, Technical Specifications and/or Code of Practice” refers to factors which constitute grounds for the imposition of Industrial goods and/or services and which must be related to:

1. security, health and safety of humans, animals and plants;
2. preservation of environmental functions;
3. fair business competition;
4. enhancement of competitiveness; and/or
5. increase in Industrial efficiency and performance.

Point b

Sufficiently clear.

Point c

Sufficiently clear.

Point d

Sufficiently clear.

Point e

Sufficiently clear.

Point f

Sufficiently clear.

Section (6)

Point a

Sufficiently clear.

Point b

Sufficiently clear.

Point c

Sufficiently clear.

Point d

The term “a personal property of a passenger” means goods carried by any individual who crosses state borders by using transportation facilities, excluding goods carried by the crew of transportation or border crossing facilities in accordance with the legislation.

Section (7)

Sufficiently clear.

Section (8)

Sufficiently clear.

Section (9)

Sufficiently clear.

Section (10)

Sufficiently clear.

Section (11)

Sufficiently clear.

Article 11

Section (1)

Sufficiently clear.

Section (2)

The term “similar type of scope” among others refers to similar in terms of raw materials/materials and methods of testing.

Section (3)

Sufficiently clear.

Section (4)

Sufficiently clear.

Section (5)

Sufficiently clear.

Section (6)

Sufficiently clear.

Article 12

Sufficiently clear.

Article 13

Sufficiently clear.

Article 14

Sufficiently clear.

Article 15

Sufficiently clear.

Article 16

Sufficiently clear.

Article 17

Sufficiently clear.

Article 18

Section (1)

The term “stakeholders” means parties that have interest in Industrial Standardization activities and consist of the elements of Consumers, Business Actors, associations, experts, academics, ministries, non-ministerial government institutions and/or Local Governments.

Section (2)

Cooperation in Industrial Standardization at the international level is among others aimed at reaching mutual recognition on the assessment of conformity for Industrial goods and/or services.

Article 19

Section (1)

Sufficiently clear.

Section (2)

Point a

Sufficiently clear.

Point b

The term “coordination” means joint supervision between the Minister and related ministers and/or heads of non-ministerial government institutions in accordance with their duties and functions.

Article 20

Sufficiently clear.

Article 21

Sufficiently clear.

Article 22

Sufficiently clear.

Article 23

Section (1)

The term “Business Actor” among others refers to any manufacturer, importer, distributor or retailer. The withdrawal of Industrial goods which do not conform with mandatorily imposed SNI, Technical Specifications and/or Code of Practice must be conducted on goods which bear the relevant production codes.

Section (2)

Sufficiently clear.

Section (3)

Sufficiently clear.

Section (4)

Sufficiently clear.

Section (5)

Sufficiently clear.

Section (6)

Sufficiently clear.

Article 24

Sufficiently clear.

Article 25

Section (1)

Sufficiently clear.

Section (2)

The term “other fields” means fields other than industrial affairs which relate to the object being supervised, among others trade, energy and mineral resources, and agriculture.

Section (3)

Sufficiently clear.

Section (4)

Sufficiently clear.

Article 26

Sufficiently clear.

Article 27

Sufficiently clear.

Article 28

Sufficiently clear.

Article 29

Point a

Connectivity of the National Industrial Information System has linked various institutions in various levels of government. The National Industrial Information System must therefore be undertaken under the connectivity principle.

Point b

Facilities in submitting and adjusting information as well as in obtaining access to information services constitute one of the forms of public services in submitting public information. Accordingly, any information submitted to the National Industrial Information System needs to comply with the principles of ease in submission and access (fast, timely, economical and simple) in accordance with a certain standard of services.

Point c

Since the National Industrial Information System constitutes a system which provides public information, it needs to protect intellectual property rights.

Point d

Since the National Industrial Information System constitutes a system which provides public information, it needs to protect such information from unfair business competition.

Point e

The National Industrial Information System constitutes a system which provides public information. As managed information constitutes assets which are vital to the state, the National Industrial Information System needs to adopt, as its principle, the obligation to keep confidentiality and security of its managed data and information.

Article 30

Section (1)

Sufficiently clear.

Section (2)

Point a

Sufficiently clear.

Point b

Sufficiently clear.

Point c

The term “data communication networks” means networks that use internet.

Point d

Sufficiently clear.

Point e

Sufficiently clear.

Point f

Sufficiently clear.

Point g

Sufficiently clear.

Point h

Sufficiently clear.

Section (3)

Sufficiently clear.

Section (4)

Sufficiently clear.

Section (5)

Sufficiently clear.

Section (6)

Sufficiently clear.

Section (7)

Sufficiently clear.

Section (8)

Sufficiently clear.

Article 31

Section (1)

Sufficiently clear.

Section (2)

The term “business sector” among others refers to the chambers of commerce and industry, local chambers of commerce and industry and related Industrial associations.

Section (3)

Sufficiently clear.

Article 32

Section (1)

Point a

The term “planning of system” means the process of identifying a number of solutions in information system and technology which may and will be used by an organization to reach its objectives.

Point b

The term “analysis of system” means the activities of examining and identifying procedures, subsystems and entities which are involved in a business process in an organization, to be improved to become more efficient.

Point c

The term “designing of system” means the process of determining elements of a system such as its architecture, modules, components, interfaces and data, to fulfill required specifications in the establishment or development of such system.

Point d

The term “development of software” means a series of activities which includes the making of programs, trial runs, improvements and preparation of documentation for the establishment or development of software.

Point e

The term “provision of hardware” means activities for the procurement of hardware and its required supporting equipment in an information system. Such procurement may either be in the form of purchase or lease.

Point f

The term “system trial runs” means a series of processes conducted after all system elements have been fully installed to ascertain on whether such system is able to run in accordance with determined specifications.

Point g

The term “implementation of system” means a circumstance whereby an organization has fully utilized a new system in its operational activities.

Point h

The term “maintenance of system” means activities conducted to maintain a system so that it is able to run in accordance with determined specifications.

Point i

The term “evaluation of system” means a series of planned activities which are aimed at examining and comparing system conditions against certain benchmarks to obtain results on its current performance.

Section (2)

Sufficiently clear.

Article 33

Sufficiently clear.

Article 34

Sufficiently clear.

Article 35

Section (1)

Point a

Sufficiently clear.

Point b

Sufficiently clear.

Point c

Sufficiently clear.

Point d

Sufficiently clear.

Point e

Sufficiently clear.

Point f

The term “provision of data and information along with their backup means the transferring or copying of a collection of data and information which is stored in computer (harddisk) and which is typically conducted from one location/device to another. Such data or collection of information may be in the forms of document file, drawing, video and audio.

Point g

Sufficiently clear.

Point h

Sufficiently clear.

Point i

Sufficiently clear.

Point j

Sufficiently clear.

Section (2)

Sufficiently clear.

Section (3)

Sufficiently clear.

Article 36

Sufficiently clear.

Article 37

Sufficiently clear.

Article 38

Sufficiently clear.

Article 39

Sufficiently clear.

Article 40

Section (1)

Sufficiently clear.

Section (2)

Sufficiently clear.

Section (3)

Point a

Sufficiently clear.

Point b

Sufficiently clear.

Point c

Sufficiently clear.

Point d

Sufficiently clear.

Point e

Sufficiently clear.

Point f

Sufficiently clear.

Point g

Sufficiently clear.

Point h

Sufficiently clear.

Point i

Sufficiently clear.

Point j

Production includes data on inventories, orders, and shipments.

Point k

Sufficiently clear.

Point l

Sufficiently clear.

Article 41

Sufficiently clear.

Article 42

Section (1)

Sufficiently clear.

Section (2)

The term “interoperability” means the ability of two or more systems or components to exchange information and use such exchanged information.

Article 43

Sufficiently clear.

Article 44

Point a

The term “results of applied research” means the results of any study/research which may be directly applied to solve issues faced, including on investment amounts and investors, and the results of research which have received risk underwriting from the Central Government.

Point b

The term “intellectual property rights” refers to Industrial patents, industrial designs, copyrights, geographical indication.

Point c

Sufficiently clear.

Point d

Sufficiently clear.

Point e

Sufficiently clear.

Point f

Sufficiently clear.

Article 45

Sufficiently clear.

Article 46

Sufficiently clear.

Article 47

Sufficiently clear.

Article 48

Sufficiently clear.

Article 49

Sufficiently clear.

Article 50

Sufficiently clear.

Article 51

Sufficiently clear.

Article 52

Sufficiently clear.

Article 53

Section (1)

Sufficiently clear.

Section (2)

The term “other parties” among others refers to institutions which engage in statistics, survey bodies, and universities.

Section (3)

Sufficiently clear.

Section (4)

Sufficiently clear.

Section (5)

Sufficiently clear.

Section (6)

Sufficiently clear.

Article 54

Sufficiently clear.

Article 55

Sufficiently clear.

Article 56

Section (1)

The term “legislation” among others refers to Law on Disclosure of Public Information, Law on Electronic Information and Transactions, Law on Statistics and Law on Archival Affairs.

Section (2)

Sufficiently clear.

Article 57

Section (1)

Sufficiently clear.

Section (2)

Point a

Sufficiently clear.

Point b

Sufficiently clear.

Point c

The term “change of form” means the process of changing the form of data and/or information from their initial form and of not changing their contents or substance, such as change of form from access to excel, or which is also referred to as transform.

Point d

Sufficiently clear.

Section (3)

The term “data mining” means the process of calculations to find certain patterns from large volume data, namely by using the methods of artificial intelligence, statistics, database systems, and machine learning.

The term “data warehouse” means a centralized data storage system which is used in the process of making reports and data analysis.

Section (4)

The term “executive information systems” means information systems which are specifically made for executives.

The term “decision support systems” means information systems used at the management level to provide adequate considerations for the making of decisions.

The term “business intelligence tools” means intelligence tools in information systems which utilize multidimensional historical data and business models such that they may be used to forecast multidimensional trends for what-if analysis in the making of complex decisions.

Business intelligence tools among others cover Data Integration (DI), Data Warehouse, Data Mart, Online Analytical Processing (OLAP), Dashboard Management.

Section (5)

Sufficiently clear.

Section (6)

Sufficiently clear.

Section (7)

Sufficiently clear.

Article 58

Section (1)

The storing of data and/or information refers to Government Integrated Data Center (GIDC).

The term “database” means a location where various data is regularly assembled in a structured database pursuant to the norms of informatics and which is accessible at all times to users in efforts of producing required information through the use of the

data warehouse concept. The physical form of a database is computer networks containing databases which are accessible at all times.

Section (2)

Sufficiently clear.

Article 59

Section (1)

Sufficiently clear.

Section (2)

Point a

Sufficiently clear.

Point b

The term “legislation” among others refers to that on the disclosure of public information, electronic information and transactions.

Section (3)

Sufficiently clear.

Section (4)

Sufficiently clear.

Article 60

Section (1)

The term “official” means any structural and non-structural official at a Government Institution or a Local Government.

Section (2)

Sufficiently clear.

Section (3)

Sufficiently clear.

Section (4)

Sufficiently clear.

Section (5)

Sufficiently clear.

Section (6)

Sufficiently clear.

Section (7)

Sufficiently clear.

Article 61

Section (1)

The objectives of guidance and supervision are:

- a. to increase the quality of undertaking of the National Industrial Information System and Industrial information systems in regions;
- b. to develop the National Industrial Information System and Industrial information systems in regions which are efficient and effective; and
- c. to accelerate the process of management of data and/or information.

Section (2)

Sufficiently clear.

Section (3)

Sufficiently clear.

Article 62

Sufficiently clear.

Article 63

Section (1)

Sufficiently clear.

Section (2)

Sufficiently clear.

Section (3)

Point a

Trainings for the enhancement of knowledge and skills of Industrial human resources are implemented to build and develop individual capacity or institutional capacity of an Industrial Company.

Point b

Professional competence certification for the Industrial human resources of an Industrial Company is implemented to fulfill the standards of Industrial products and/or services or to provide reliable human resources in the Industrial sector.

Point c

Sufficiently clear.

Point d

The term “vital national objects” means vital national objects in the Industrial sector as stipulated by the Minister in accordance with the legislation.

Point e

Sufficiently clear.

Point f

The term “physical Infrastructure” means anything which serves as main support in the undertaking of an Industrial business process. An example of “physical Infrastructure” is the building of waste processing units (*unit pengolahan limbah*, IPAL). This “physical Infrastructure” may also mean any auxiliary or supporting facility of a physical Infrastructure. In this case, physical Infrastructure constitutes any Industrial facility which is directly used or is significant in nature such as machinery and production infrastructure.

The building of physical Infrastructure for small-sized and medium-sized Industrial Companies are implemented to enhance Industrial competitiveness, promote the development of the Green Industry and/or utilize natural resources through good governance.

Point g

The granting of assistance for the promotion of production yields for Industrial Companies or the promotion of location use for Industrial Estate Companies will be implemented to enhance Industrial competitiveness or to build and/or develop the Green Industry.

Section (4)

The term “under certain circumstances” applies in the event of any need or proposal from a Technical Minister, governor, regent/mayor and/or Industrial association.

Article 64

Sufficiently clear.

Article 65

Point a

Sufficiently clear.

Point b

The term “has fulfilled all of its taxation obligations” is done by evidencing the completion of taxation obligations through Tax Clearance. Tax Clearance is a letter issued by the Directorate General of Taxes which contains data on the fulfillment of taxation obligations of a taxpayer for a certain tax period and year. As a taxpayer, an Industrial Company or an Industrial Estate Company files an application to obtain Tax Clearance from a Tax Services Office where it is registered as a taxpayer.

Article 66

Sufficiently clear.

Article 67

Section (1)

Sufficiently clear.

Section (2)

The guidelines as stipulated by the Minister among others contain stages for the granting of Non-Fiscal Facilities based on time limitations (periodization), establishment of working teams.

Section (3)

Sufficiently clear.

Article 68

Section (1)

Monitoring and evaluation activities are aimed at assessing the effectiveness of granting of any form of Non-Fiscal Facilities.

Section (2)

Sufficiently clear.

Section (3)

Sufficiently clear.

Article 69

Sufficiently clear.

Article 70

Sufficiently clear.

Article 71

Sufficiently clear.

Article 72

Sufficiently clear.

Article 73

Sufficiently clear.

Article 74

Sufficiently clear.

Article 75

Sufficiently clear.

Article 76

Sufficiently clear.

Article 78

Sufficiently clear.

Article 79

Sufficiently clear.

Article 80

Sufficiently clear.

Article 81

Sufficiently clear.

Article 82

Sufficiently clear.

Article 83

Sufficiently clear.

Article 84

Sufficiently clear.

Article 85

Sufficiently clear.

Article 86

Sufficiently clear.