

CLIENT ALERT COVID-19

Jakarta, 24 April 2020

(updated version)

Indonesia and the world is currently facing an unprecedented situation of the Covid-19 pandemic. In order to help our clients maintain operations and business functions, we are continuously monitoring guidance, policies, and recommendations issued by central and regional government agencies and authorities. Below are the recently issued regulations from the Government of the Republic of Indonesia related to this Covid-19 outbreak:

- **Law Number 24 of 2007 on Disaster Management:** Liability and authority of the Government for the implementation of disaster management, rights and obligations of the society affected by the disaster, and the business entities' adjustment of business activities in accordance with the disaster management policy. Disease outbreak can be classified as a non-natural disaster but the status of the disaster is subject to the stipulation of the government.
- **Law Number 6 of 2018 on Health Quarantine:** Health quarantine measures to prevent the spread of disease that potentially causing public health emergency. Liability and authority of the Government to implement the health quarantine including the classification and procedure of quarantines such as home quarantine, hospital quarantine, regional quarantine, and large scale social restriction.
- **Government Regulation Number 21 of 2020 on the Large Scale Social Restriction to Expedite Countermeasures Against COVID-19:** Regional Governments may impose the Large-Scale Social Restriction on the movement of people and goods to one region to another. This restriction includes the closure of schools and workplaces. Such restrictions shall fulfill the criteria stipulated in this regulation and shall firstly be approved by the Minister of Health to be effectively implemented.
- **Presidential Decree Number 11 of 2020 on the Declaration of COVID-19 as Public Health Emergency:** The President has determined COVID-19 outbreak as public health emergency and the countermeasures against COVID-19 shall be implemented in accordance with the laws and regulations.
- **Presidential Decree Number 12 of 2020 on the Declaration of COVID-19 as Non-Natural National Disaster:** The President has determined COVID-19 outbreak as non-natural national disaster and the disaster management shall be implemented in accordance with the central government policy.
- **Regulation of Minister of Health Number 9 of 2020 on Guidance for the Large Scale Social Restriction to Expedite Countermeasures Against COVID-19:** This is the regulation of Minister of Health to implement the above Government Regulation 21/2020. The large scale social restrictions include the closure of schools and workplaces which shall be set and determined by the regional governments. Prior to the implementation of large scale social

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restriction, the regional heads shall fulfill requirements, procedure, and criteria under this regulation.

- **Regulation of Minister of Law and Human Rights Number 11 of 2020 on Temporary Prohibition for Foreigners to Enter the Territory of Indonesia:** Temporary Prohibition of Foreigners to enter/transit in the Territory of Indonesia with a few exceptions for foreigners who hold limited stay permits and permanent stay permits, holders of diplomatic visas/stay permits, etc. Such exemptions are subject to requirements including the submission of health certificates in English from health authorities in each country and a statement of willingness to enter quarantine for 14 (fourteen) days carried out by the government of the Republic of Indonesia.
- **Regulation of Minister of Transportation Number 18 of 2020 on the Transportation Control to Prevent the Spread of COVID-19:** Control and limitation of the transportation in the regions with Large Scale Social Restriction and the whole territory of Indonesia. This regulation obliges every person to impose physical distancing when using the transportation vehicle and some requirements for transportation vehicle to be allowed to operate.
- **Regulation of Minister of Transportation Number 25 of 2020 on the Transportation Control During Eid Al-Fitr Holiday 1441 H to Prevent the Spread of COVID-19:** Prohibition to use any means of transportation vehicles to enter into or out from the regions with Large Scale Social Restriction. Included as the prohibition is the air transport prohibition with some exceptions such as for the diplomatic operation, special flight operation to repatriate Indonesian citizen or foreigners based on law and regulation.
- **Minister of Health Decree Number HK.01.07/MENKES/239/2020 on the Large Scale Social Restriction in the DKI Jakarta Province to Expedite Countermeasures Against COVID-19:** Minister of Health has declared the large scale social restriction in DKI Jakarta Province and obliged the regional government of DKI Jakarta to implement the large scale social restriction in accordance with the laws and regulations.
- **Minister of Health Decree Number HK.01.07/MENKES/248/2020 on the Large Scale Social Restriction in Bogor Regency, Bogor City, Depok City, Bekasi Regency, and Bekasi City to Expedite Countermeasures Against COVID-19:** Minister of Health has declared the large scale social restriction in Bogor Regency, Bogor City, Depok City, Bekasi Regency, and Bekasi City and obliged the regional governments of Bogor Regency, Bogor City, Depok City, Bekasi Regency, and Bekasi City to implement the large scale social restriction in accordance with the laws and regulations.
- **Minister of Health Decree Number HK.01.07/MENKES/249/2020 on the Large Scale Social Restriction in Tangerang Regency, Tangerang City, and South Tangerang City to Expedite Countermeasures Against COVID-19:** Minister of Health has declared the large scale social restriction in Tangerang Regency, Tangerang City, and South Tangerang City and obliged the regional governments of Tangerang Regency, Tangerang City, and South Tangerang City to implement the large scale social restriction in accordance with the laws and regulations.

- **Minister of Health Decree Number HK.01.07/MENKES/259/2020 on the Large Scale Social Restriction in Bandung City, Cimahi City, Bandung Regency, West Bandung Regency, and Sumedang Regency to Expedite Countermeasures Against COVID-19:** Minister of Health has declared the large scale social restriction in Bandung City, Cimahi City, Bandung Regency, West Bandung Regency, and Sumedang Regency and obliged the regional governments of Bandung City, Cimahi City, Bandung Regency, West Bandung Regency, and Sumedang Regency to implement the large scale social restriction in accordance with the laws and regulations.
- **Circular Letter of the Minister of Manpower Number M/3/HK.04/III/2020 on the Protection of Employee and Business Continuation for the Prevention and Precaution of COVID-19:** Recommendation for Governors to provide guidance and supervision regarding Occupational Safety and Health/*Keselamatan dan Kesehatan Kerja* (K3), record and report COVID-19 cases at workplaces, implement wage protection for workers related to the COVID-19 pandemic including for workers who are categorized as Person Under Monitoring/*Orang Dalam Pemantauan* (ODP) and for Person tested positive for COVID-19, and adjustment of wages amount and payment for companies that limit their business activities.
- **Circular Letter of the Minister of Manpower Number M/4/HK.04/IV/2020 on Foreign Workers Utilization Service in the Prevention of COVID-19:** the Ministry of Manpower suspends the foreign workers utilization service process for new application with some exception for the applicants who will work in the national strategic project and the holder of stay permit within the territory of Indonesia.
- **Circular Letter of Minister of Health Number HK/02.01/MENKES/202/2020 on Self-Isolation Protocol in Handling COVID-19:** Recommendation for Ministry/Institution and Regional Government to implement self-isolation protocol, including to stay at home, and several important consideration during self-isolation, i.e. keep the distance, wear mask, wash hands, etc.
- **Circular Letter of Minister of Industry Number 7 of 2020 on the Procedure for the Industrial Activities Permit Application during COVID-19 Health Emergency Period:** Industrial Companies can submit the permit application to obtain the operational permit and industrial mobility activities during the COVID-19 period through the Ministry of Industry's online system.
- **Directorate General of Disease Prevention and Control Ministry of Health Guide on Prevention and Control of COVID-19 as of 16 March 2020:** This guideline covers the categories, classifications, and activities that must be carried out by surveillance (i.e. person under monitoring), clinical management for health workers treating for patients indicated COVID-19, laboratory examination, effective preventive measures to be taken by the community and infection control related to health services, etc. based on WHO recommendations.

Several Regional Governments have issued circular letters and regulations concerning the prevention and mitigation of COVID-19 in the regional level. It is advisable for the business entities to closely

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observe and follow the development of the regional regulation/decision in their respective region. Below are several examples of the regulation/decision issued by the regional governments:

- **DKI JAKARTA**

Regulation of Jakarta Governor Number 33 of 2020 on the Implementation of Large Scale Social Restriction in Handling COVID-19 in DKI Jakarta Province: the implementation of the provisions of Regulation of Minister of Health Number 9 of 2020 on Guidance for the Large Scale Social Restriction to Expedite Countermeasures Against COVID-19 in DKI Jakarta.

Declaration of Jakarta Governor Number 6 of 2020 on Temporary Termination of Office Activities in Order to Prevent the Spread of COVID-19: Recommendation for companies within the Jakarta to carry out business activities from home, close operational facilities, but if the closure of operational facilities is not possible, companies can limit employees and the activities in operational facilities.

Decision of Jakarta Governor Number 361 of 2020 on Extension of COVID-19 Disaster Emergency Response Status in Jakarta: The Governor of Jakarta declared the disaster emergency response status in Jakarta is effective until April 19, 2020.

Decision of Jakarta Governor Number 412 of 2020 on Extension of Large Scale Social Restriction in Handling COVID-19 in DKI Jakarta Province: The Governor of Jakarta declared the large scale social restriction to be extended for 14 days from 24 April to 7 May 2020. In the event there is still new case of COVID-19 such extension will be continued for the next 14 days until 21 May 2020.

Circular Letter of Manpower, Transmigration, and Energy Agency of DKI Jakarta Number 3590/SE/2020 on the Follow-Up on Decision of Jakarta Governor Number 361 of 2020: Recommendation for the companies located within Jakarta to apply the work from home method with few exemptions for several sectors, including the health sector, energy sector, finance sector, food sector. The exempted sectors shall report to the Manpower Agency of DKI Jakarta concerning the applicable prevention measures in their companies.

Circular Letter of Tourism and Creative Economy Agency of DKI Jakarta Number 184/SE/2020 on the Extension of Temporary Closures of Tourism Industry Operational Activities in the Precautionary Effort Against COVID-19: Temporary closure of places of entertainment, including spa, karaoke bar, club, etc. until April 19, 2020.

- **WEST JAVA PROVINCE**

Regulation of West Java Governor Number 27 of 2020 on the Guidance of Large Scale Social Restriction in Handling COVID-19 in Bogor Regency, Bogor City, Depok City, Bekasi Regency, and Bekasi City: the implementation of the guidance of large scale social restriction in Bogor Regency, Bogor City, Depok City, Bekasi Regency, and Bekasi City in accordance with the provisions of Minister of Health Decree Number HK.01.07/MENKES/248/2020 on the Large Scale Social Restriction in Bogor Regency, Bogor City, Depok City, Bekasi Regency, and Bekasi City to Expedite Countermeasures Against COVID-19.

Regulation of West Java Governor Number 30 of 2020 on the Guidance of Large Scale Social Restriction in Bandung City, Cimahi City, Bandung Regency, West Bandung Regency, and Sumedang Regency to Expedite Countermeasures Against COVID-19: the implementation of the guidance of large scale social restriction in Bandung City, Cimahi City, Bandung Regency, West Bandung Regency, and Sumedang Regency in accordance with the provisions of Minister of Health Decree Number HK.01.07/MENKES/259/2020 on the Large Scale Social Restriction in Bandung City, Cimahi City, Bandung Regency, West Bandung Regency, and Sumedang Regency to Expedite Countermeasures Against COVID-19.

- **BANTEN PROVINCE**

Decree of Banten Governor Number 443/Kep.140-Huk/2020 on the Determination of Large Scale Social Restriction in Tangerang Regency, Tangerang City, and South Tangerang City: the Banten Governor has determined the large scale social restriction in Tangerang Regency, Tangerang City, and South Tangerang City.

Regulation of Banten Governor Number 16 of 2020 on the Guidance of Large Scale Social Restriction in Tangerang Regency, Tangerang City, and South Tangerang City: the implementation of the guidance of large scale social restriction in Tangerang Regency, Tangerang City, and South Tangerang City in accordance with the provisions of Minister of Health Decree Number HK.01.07/MENKES/249/2020 on the Large Scale Social Restriction in Tangerang Regency, Tangerang City, and South Tangerang City to Expedite Countermeasures Against COVID-19.

- **BOGOR REGENCY**

Regulation of the Bogor Regent Number 16 of 2020 on the Implmentation of Large Scale Social Restriction in Managing COVID-19 in Bogor Regency: the implementation of the guidance of large scale social restriction in Bogor Regency in accordance with the provisions of Minister of Health Decree Number HK.01.07/MENKES/248/2020 on the Large Scale Social Restriction in Bogor Regency, Bogor City, Depok City, Bekasi Regency, and Bekasi City to Expedite Countermeasures Against COVID-19.

- **KARAWANG REGENCY**

Circular Letter of Karawang Regent Number 440/2230/Skrt/2020 on Prevention of the Spread and Transmission of COVID-19: Instruction for the Industrial Area management and Private Companies to provide information and education concerning COVID-19, to postpone or cancel activities involving foreign parties, to postpone or cancel activities involving many people/participants, to facilitate the sick employees and report to the relevant health agency, to monitor the employees especially those who just recently return from abroad, foreign workers are advised not to leave the house and not going to public places.

Circular Letter of Karawang Regent Number 440/1604/Dinkes on the Follow-Up on Preventing the Spread of COVID-19 in Karawang Regency: Instruction to avoid public places, crowds, public spaces, if there are no urgent interests.

Other relevant regulations:

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- **Government Regulation in Lieu of Law Number 11 of 2020 on State Finance Policy and Financial System Stability in the Handling of COVID-19 and/or in Response to Dangerous Threats to the National Economy and/or the Stability of the Financial System:** This regulation lays out the various spending and sources of funds to be used in the battle against COVID-19. This regulation includes taxation policies such as the adjustments of the tax rates of domestic corporate taxpayers and permanent establishments, tax treatment in electronic trading activities, extension of the exercise of rights and fulfillment of tax obligations, and granting the authority to the Minister of Finance to provide customs facilities in the form of exemption or relief of import duties.
- **Regulation of Minister of Finance Number 23 of 2020 on Tax Incentives for Taxpayers Affected by COVID-19:** The government provides incentives such as PPh 21 to be borne by the government, the relief of PPh 22, reduction of PPh 25 by 30%, etc. The detailed incentive facility, criteria, requirements, and calculations are available in the Appendix of this regulation.

In addition, please note that according to Circular Letter of Minister of Administrative and Bureaucratic Reform Number 19 of 2020 and its amendment the Circular Letter of Minister of Administrative and Bureaucratic Reform Number 34 of 2020 on Adjustment of the Work System of State Civil Apparatuses in Preventing the Spread of COVID-19 within the Government Agencies and Circular Letter of Minister of Home Affairs Number 440/2436/SJ on Prevention of Spread of COVID-19 in Regional Government, the state civil apparatuses carrying out official assignments using the work from home method until April 21, 2020. Therefore the government agency is no longer provide face to face service and any matters or dealings with the government agency may be conducted remotely by online service (if any) or telephone.

The situation is dynamic and continuing to change daily, and we will provide information and assistance to support our clients.
