

RAJAH & TANN ASIA

LAWYERS  
WHO  
KNOW  
ASIA

REGIONAL  
ROUND-UP  
2021:  
INDONESIA



RAJAH & TANN ASIA

CAMBODIA | CHINA | INDONESIA | LAOS | MALAYSIA | MYANMAR | PHILIPPINES | SINGAPORE | THAILAND | VIETNAM

[www.rajahtannasia.com](http://www.rajahtannasia.com)

---

# CONTENTS

Introduction	3
Looking Back: 2021	4
Gazing Into: 2022	6
Key Contacts	7
Our Regional Contacts	9
Disclaimer	10

# Introduction



Throughout the year, we have been keeping you up to date on noteworthy developments across the region with our Regional Round-up Publications. As we enter 2022, we are pleased to share with you our *2021 year-in-review of the Regional Round-up* for our Regional Offices in the Rajah & Tann Asia network.

In each jurisdiction, we recount the key milestones in the path that has been travelled in 2021, as well as consider the terrain of the road that lies ahead in 2022. In the "**Looking Back: 2021**" section, we take stock of the past year and highlight the key legal and regulatory developments affecting each jurisdiction in 2021. In the "**Gazing Into: 2022**" section, we look ahead to some key areas of development that you should take note of in the year to come, referencing the legal and business trends shaping up potential legislative and regulatory changes in each jurisdiction.

We hope that this year-in-review edition of the Regional Round-up provide some perspective and insight into the legal landscape of the jurisdictions across the region. As always, please feel free to contact our lawyers in our Regional Offices if you have any queries or for further discussions.

Please click on the links below to access the full collection of our country-specific *2021 year-in-review of the Regional Round-up*:

- [Cambodia](#)
- [China](#)
- [Indonesia](#)
- [Laos](#)
- [Malaysia](#)
- [Myanmar](#)
- [Philippines](#)
- [Singapore](#)
- [Thailand](#)
- [Vietnam](#)

## Looking Back: 2021

2021 marked a year of recovery for Indonesia, both economically and in terms of combating the spread of **COVID-19** through **increased vaccination rates** and **imposition of social lockdowns**. There was also a **major structural change in the legal sphere**, as the Government issued **49 implementing regulations to the Omnibus Law**. These regulations govern various topics from employment to investment.

Indonesia also continues to **expand digitally**, with key regulators such as Bank Indonesia and the Financial Services Authority ("**OJK**") issuing regulations on previously unregulated spheres like **digital banking**.



Lastly, the Government adopted a **sweeping reform on tax** by enacting the **Harmonised Tax Law** and the updated **Indonesia-Singapore Double Taxation Agreement**.

Summaries of the key developments relating to the above areas are provided below.

### Foreign Investment – New Licensing and Investment Regimes

A main part of the new regime under the Omnibus Law is the shift from a commitment-based licensing regime to a risk-based licensing regime. This is aimed to provide a more streamlined and efficient licensing process. The new framework has four risk levels, each with its own licensing requirements. The risk level of a business will be determined based on the potential impact of its business activity on health, safety, environment, natural resources utilisation, and other hazard factors. Click [here](#) for more information.

Another piece of the puzzle is the aptly titled Priority Investment List, which replaced the previous Negative Investment List. Under the new list, many business sectors that were previously restricted are now open to 100% foreign investment. The restricted business lines are slimmed down considerably, from 350 conditionally open business fields under the Negative Investment List, to 46 business fields under the Priority Investment List. Click [here](#) for more information.

### Technology – Embracing Technology: Opportunities Abound

2021 saw the issuance of several major technology-related regulations, including those on payment systems, electronic system operators, and digital banks. On payment system, Bank Indonesia became the first Indonesian regulator to govern foreign direct investment by decoupling economy and voting rights. Click [here](#) for more information.

Meanwhile on operators, there is no doubt that registration is now mandatory for all electronic system operators, except foreign electronic system operators that

do not provide services in Indonesia, carry out business in Indonesia, and/or provide and/or offer electronic systems for use in Indonesia. Click [here](#) for more information.

Lastly, keeping up with the growth of digital banking in Indonesia, OJK issued two regulations on the establishment, activities, and reporting requirements of a digital bank. Click [here](#) for more information.

### **Tax – Updated Indonesia-Singapore Double Taxation Agreement**

More than 30 years after the first double taxation agreement, the Indonesian and Singaporean governments ratified the new Indonesia-Singapore double taxation agreement ("**Updated DTA**"). While the Updated DTA brought several key changes, the spotlight is on capital gains, which were previously unregulated despite the popularity of Singapore being used by investors to invest in Indonesia. Click [here](#) for more information.



## Gazing Into: 2022

At the end of 2021, just one year after the Government enacted the **Omnibus Law** ("Law"), the **Indonesian Constitutional Court** declared the Law as "**conditionally unconstitutional**". While the Law and its implementing regulations will remain effective until November 2023, the Government will have to **revisit and amend certain procedural flaws in the Law**. Failure to do so may cause the Law to be deemed unconstitutional. We expect that the Government will use maximum effort to preserve the changes brought by the Law.



Meanwhile, the plan to move **Indonesia's capital city** from Jakarta to Borneo by Q1 2024 is still going ahead. We expect that the bill on the new capital city, which will form the legal basis for the relocation, will be passed soon.

On energy transition and electric vehicles, the Government recently issued a **new carbon tax regulation**, which marked the beginning of the shift towards a **more environmentally-friendly regime**. We expect that more policies will be issued this year and the following years to ensure that Indonesia can achieve its **targeted carbon neutrality** (which in itself is very ambitious).

Lastly, we are looking at the **second tax amnesty** in 2022 as part of the **Harmonised Tax Law**. There are no details yet of the target and timing.

## KEY CONTACTS



**Bono Daru Adji**  
Managing Partner

T +62 21 2555 7800

[bono.adji@ahp.co.id](mailto:bono.adji@ahp.co.id)



**Ahmad Fikri Assegaf**  
Senior Partner

T +62 21 2555 7800

[ahmad.asegaf@ahp.co.id](mailto:ahmad.asegaf@ahp.co.id)



**Chandra M Hamzah**  
Co-Head, Dispute Resolution

T +62 21 2555 7800

[chandra.hamzah@ahp.co.id](mailto:chandra.hamzah@ahp.co.id)



**Eri Hertiawan**  
Co-Head, Dispute Resolution

T +62 21 2555 7800

[eri.hertiawan@ahp.co.id](mailto:eri.hertiawan@ahp.co.id)



**Ibrahim Sjarief Assegaf**  
Head, Banking, Finance &  
Projects

T +62 21 2555 7800

[ibrahim.asegaf@ahp.co.id](mailto:ibrahim.asegaf@ahp.co.id)



**Eko Basyuni**  
Head, Corporate and M&A

T +62 21 2555 7800

[eko.basyuni@ahp.id](mailto:eko.basyuni@ahp.id)



**HMBC Rikrik R.**  
Head, Competition and Antitrust

T +62 21 2555 7800

[rikrik.rizkiyana@ahp.id](mailto:rikrik.rizkiyana@ahp.id)



**Putu Suryastuti**  
Head, Capital Markets

T +62 21 2555 7800

[putu.suryastuti@ahp.id](mailto:putu.suryastuti@ahp.id)



**Farid Fauzi Nasution**  
Partner

T +62 21 2555 9998

[farid.nasution@ahp.id](mailto:farid.nasution@ahp.id)



**Dewi Kamaratih Soeharto**  
Partner

T +62 21 2555 7800

[dewi.soeharto@ahp.id](mailto:dewi.soeharto@ahp.id)



**Amien Sunaryadi**  
Partner

T +62 21 2555 7800

[amien.sunaryadi@ahp.id](mailto:amien.sunaryadi@ahp.id)



**Muslimin Damanhuri**  
Partner

T +62 21 2555 7800

[muslimin.damanhuri@ahp.id](mailto:muslimin.damanhuri@ahp.id)



**Yogi Sudrajat Marsono**  
Partner

T +62 21 2555 7800

[yogi.marsono@ahp.id](mailto:yogi.marsono@ahp.id)

---



# OUR REGIONAL CONTACTS

## RAJAH & TANN | *Singapore*

### Rajah & Tann Singapore LLP

T +65 6535 3600  
F +65 6225 9630  
sg.rajahtannasia.com

## R&T SOK & HENG | *Cambodia*

### R&T Sok & Heng Law Office

T +855 23 963 112 / 113  
F +855 23 963 116  
kh.rajahtannasia.com

## RAJAH & TANN 立杰上海

SHANGHAI REPRESENTATIVE OFFICE | *China*

### Rajah & Tann Singapore LLP Shanghai Representative Office

T +86 21 6120 8818  
F +86 21 6120 8820  
cn.rajahtannasia.com

## ASSEGAF HAMZAH & PARTNERS | *Indonesia*

### Assegaf Hamzah & Partners

#### Jakarta Office

T +62 21 2555 7800  
F +62 21 2555 7899

#### Surabaya Office

T +62 31 5116 4550  
F +62 31 5116 4560  
www.ahp.id

## RAJAH & TANN | *Lao PDR*

### Rajah & Tann (Laos) Co., Ltd.

T +856 21 454 239  
F +856 21 285 261  
la.rajahtannasia.com

## CHRISTOPHER & LEE ONG | *Malaysia*

### Christopher & Lee Ong

T +60 3 2273 1919  
F +60 3 2273 8310  
www.christopherleeong.com

## RAJAH & TANN | *Myanmar*

### Rajah & Tann Myanmar Company Limited

T +951 9345 343 / +951 9345 346  
F +951 9345 348  
mm.rajahtannasia.com

## GATMAYTAN YAP PATACSIL

GUTIERREZ & PROTACIO (C&G LAW) | *Philippines*

### Gatmaytan Yap Patacsil Gutierrez & Protacio (C&G Law)

T +632 8894 0377 to 79/ +632 8894 4931 to 32  
/ +632 8552-1977 to 78  
F +632 552 1978  
www.cagatlaw.com

## RAJAH & TANN | *Thailand*

### R&T Asia (Thailand) Limited

T +66 2 656 1991  
F +66 2 656 0833  
th.rajahtannasia.com

## RAJAH & TANN LCT LAWYERS | *Vietnam*

### Rajah & Tann LCT Lawyers

#### Ho Chi Minh City Office

T +84 28 3821 2382  
F +84 28 3520 8206

#### Hanoi Office

T +84 24 3267 6127  
F +84 24 3267 6128  
www.rajahtannlct.com

Rajah & Tann Asia is a network of legal practices based in Asia.

Member firms are independently constituted and regulated in accordance with relevant local legal requirements. Services provided by a member firm are governed by the terms of engagement between the member firm and the client.

This publication is solely intended to provide general information and does not provide any advice or create any relationship, whether legally binding or otherwise. Rajah & Tann Asia and its member firms do not accept, and fully disclaim, responsibility for any loss or damage which may result from accessing or relying on this publication.

# DISCLAIMER

Rajah & Tann Asia is a network of member firms with local legal practices in Cambodia, Indonesia, Lao PDR, Malaysia, Myanmar, the Philippines, Singapore, Thailand and Vietnam. Our Asian network also includes our regional office in China as well as regional desks focused on Brunei, Japan and South Asia. Member firms are independently constituted and regulated in accordance with relevant local requirements.

The contents of this publication are owned by Rajah & Tann Asia together with each of its member firms and are subject to all relevant protection (including but not limited to copyright protection) under the laws of each of the countries where the member firm operates and, through international treaties, other countries. No part of this publication may be reproduced, licensed, sold, published, transmitted, modified, adapted, publicly displayed, broadcast (including storage in any medium by electronic means whether or not transiently for any purpose save as permitted herein) without the prior written permission of Rajah & Tann Asia or its respective member firms.

Please note also that whilst the information in this publication is correct to the best of our knowledge and belief at the time of writing, it is only intended to provide a general guide to the subject matter and should not be treated as legal advice or a substitute for specific professional advice for any particular course of action as such information may not suit your specific business and operational requirements. You should seek legal advice for your specific situation. In addition, the information in this publication does not create any relationship, whether legally binding or otherwise. Rajah & Tann Asia and its member firms do not accept, and fully disclaim, responsibility for any loss or damage which may result from accessing or relying on the information in this publication.