

ANNEX 3

**SCHEDULE OF RESERVATIONS AND NON-CONFORMING MEASURES FOR
INVESTMENT**

INDONESIA

LIST A

EXPLANATORY NOTES

1. This List A sets out, pursuant to Article 13 (Reservations and Non-Conforming Measures) of Chapter 11 (Investment), Indonesia's existing measures that are not subject to some or all of the obligations imposed by:

- (a) Article 3 (National Treatment) of Chapter 11 (Investment);
- (b) Article 4 (Most-Favoured-Nation Treatment) of Chapter 11 (Investment);
- (c) Article 5 (Senior Management and Board of Directors) of Chapter 11 (Investment); or
- (d) Article 6 (Prohibition of Performance Requirements) of Chapter 11 (Investment).

2. This List A and List B pursuant to Article 13 (Reservations and Non-Conforming Measures) of Chapter 11 (Investment) follow the negative list with two list approach as follows:

- (a) this List A sets out commitments in relation to existing non-conforming measures which are subject to standstill obligations but not subject to ratchet mechanism; and
- (b) List B sets out policy flexibility in relation to measures in sectors, subsectors and activities.

3. Each entry in this List A sets out the following elements:

- (a) **Sector** refers to the sector for which the entry is made;
- (b) **Subsector** refers to specific industries, products, and activities in which a reservation is taken;
- (c) **Industry Classification** where referenced, refers to the activity covered by the entry, according to the CPC, ISIC Rev. 3, or as expressly otherwise described in that entry:

ISIC Rev. 3 means the International Standard Industrial Classification of All Economic Activities as set out in the Statistical Papers, Series M, No.4, ISIC Rev. 3, Statistical Office of the United Nations, New York, 1990;

CPC means the Provisional Central Product Classification as set out in the Statistical Papers, Series M, No. 77, Department of International Economic and Social Affairs, Statistical Office of the United Nations, New York, 1991.

- (d) **Level of Government** indicates the level of government maintaining the listed measures;
- (e) **Obligations Concerned** refers to the obligations of Articles 3 (National Treatment), 4 (Most-Favoured-Nation Treatment), 5 (Senior Management and Board of Directors), and 6 (Prohibition of Performance Requirements) of Chapter 11 (Investment), as the case may be, which do not apply to the listed measures;
- (f) **Description** sets out the non-conforming measure for which the entry is made; and
- (g) **Source of Measure** refers to existing measures that apply to the sector, subsector or activities covered by the reservations and is identified for transparency purposes only.

4. In accordance with Article 13 (Reservations and Non-Conforming Measures) of Chapter 11 (Investment), the Articles of this Agreement specified in the Obligations Concerned element of an entry do not apply to the non-conforming measure identified in the Description element of that entry.

5. In the interpretation of a reservation, all elements of a reservation shall be considered. The Description element shall prevail over all other elements.

6. The Schedules of other Parties shall not be used to interpret Indonesia's obligations under Chapter 11 (Investment).

7. This note shall form part of Indonesia's reservations.

1.	Sector	: All sectors
	Subsector	: Acquisition or Lease of Land
	Industry Classification	: -
	Level of Government	: Central and Regional
	Obligations Concerned	: National Treatment
	Description	<p>The right of ownership of land (<i>hak milik</i>) is restricted to Indonesian nationals only.</p> <p>Note: Notwithstanding the above, foreign companies incorporated and domiciled in Indonesia or foreign nationals may acquire land and property on the basis of the following rights:</p> <p>(a) Leasehold (<i>hak guna usaha</i>), granted to a foreign company for a maximum period of 35 years and may be extended for a further period of 25 years, and also may be followed by renewal for a maximum period of 35 years.</p> <p>(b) Building rights (<i>hak guna bangunan</i>), granted to a foreign company for a maximum period of 30 years and may be extended for a further period of 20 years, and also may be followed by renewal for a maximum period of 30 years.</p> <p>(c) Right of use (<i>hak pakai</i>), granted to a foreign company or a foreign national for a maximum period of 30 years and may be extended for a further period of 20 years, and also may be followed by renewal for a maximum period of 30 years.</p> <p>(d) Right of lease (<i>hak sewa</i>), granted to a foreign company or a foreign national for a definite period as may be agreed by the parties.</p> <p>Such acquisitions of land and property must be approved by the relevant authority, subject to such conditions and restrictions as may be imposed by that authority.</p>
	Source of Measure	<ul style="list-style-type: none"> - <i>Article 33 of the 1945 Constitution of The Republic of Indonesia</i> - <i>Law No. 5 of 1960 concerning Basic Regulations on Agrarian Principles</i>

		<ul style="list-style-type: none">- <i>Law No. 25 of 2007 concerning Investment as amended by Law No. 6 of 2023 concerning Stipulation of Government Regulation in Lieu of Law No. 2 of 2022 concerning Job Creation into Law</i>- <i>Government Regulation No. 18 of 2021 concerning Management Rights, Land Rights, Apartment Units and Land Registration</i>
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2.	Sector	:	All sectors
	Subsector	:	Registration Requirements for the Establishment of Foreign Investment
	Industry Classification	:	-
	Level of Government	:	Central
	Obligations Concerned	:	National Treatment
	Description	:	Foreign investment ¹ shall have a total investment value of more than IDR 10 billion (excluding land and buildings) for each business field in each location, unless required otherwise by the specific sector in accordance with Indonesia's laws and regulations. In addition, foreign investment shall have the issued capital/paid-up capital at least IDR 10 billion, unless otherwise stipulated in any Indonesia's laws and regulations.
	Source of Measure	:	<ul style="list-style-type: none"> - <i>Law No. 25 of 2007 concerning Investment as amended by Law No. 6 of 2023 concerning Stipulation of Government Regulation in Lieu of Law No. 2 of 2022 concerning Job Creation into Law</i> - <i>Law No. 20 of 2008 concerning Micro, Small and Medium Enterprises as amended by Law No. 6 of 2023 concerning Stipulation of Government Regulation in Lieu of Law No. 2 of 2022 concerning Job Creation into Law</i> - <i>Government Regulation No. 5 of 2021 concerning Implementation of Risk-Based Business Licensing</i> - <i>Government Regulation No. 7 of 2021 concerning Ease, Protection, and Empowerment of Cooperatives and Micro, Small, and Medium Enterprises</i> - <i>Presidential Regulation No. 10 of 2021 concerning Investment Business Fields as amended by Presidential Regulation No. 49 of 2021</i> - <i>Indonesia Investment Coordinating Board (BKPM) Regulation No. 4 of 2021 concerning</i>

¹ For the purposes of this reservation, the term "foreign investment" has the meaning set out in *Law No. 25 of 2007 concerning Investment as amended by Law No. 6 of 2023 concerning Stipulation of Government Regulation in Lieu of Law No. 2 of 2022 concerning Job Creation into Law*.

		<i>Guidelines and Procedures on Risk-Based Business Licensing and Investment Incentives</i>
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3.	Sector	:	All sectors
	Subsector	:	-
	Industry Classification	:	-
	Level of Government	:	Central
	Obligations Concerned	:	National Treatment
	Description	:	<p>Foreign investment² shall be in the form of a Limited Liability Company based on the law of the Republic of Indonesia.</p> <p>A foreign investor³ incorporated under the laws of another country seeking to make direct investment in Indonesia must be established as an Indonesian Limited Liability Company (<i>Perseroan Terbatas</i>) and domiciled in Indonesia in accordance with <i>Law No. 25 of 2007 concerning Investment</i> as amended by <i>Law No. 6 of 2023 concerning Stipulation of Government Regulation in Lieu of Law No. 2 of 2022 concerning Job Creation into Law</i>.</p>
	Source of Measure	:	<ul style="list-style-type: none"> - <i>Law No. 25 of 2007 concerning Investment</i> as amended by <i>Law No. 6 of 2023 concerning Stipulation of Government Regulation in Lieu of Law No. 2 of 2022 concerning Job Creation into Law</i> - <i>Law No. 40 of 2007 concerning Limited Liability Company</i> as amended by <i>Law No. 6 of 2023 concerning Stipulation of Government Regulation in Lieu of Law No. 2 of 2022 concerning Job Creation into Law</i> - <i>Presidential Regulation No. 10 of 2021 concerning Investment Business Fields</i> as amended by <i>Presidential Regulation No. 49 of 2021</i>

² For the purposes of this reservation, the term “foreign investment” has the meaning set out in *Law No. 25 of 2007 concerning Investment* as amended by *Law No. 6 of 2023 concerning Stipulation of Government Regulation in Lieu of Law No. 2 of 2022 concerning Job Creation into Law*.

³ For the purposes of this reservation, the term “foreign investor” has the meaning set out in *Law No. 25 of 2007 concerning Investment* as amended by *Law No. 6 of 2023 concerning Stipulation of Government Regulation in Lieu of Law No. 2 of 2022 concerning Job Creation into Law*.

4.	Sector	:	All sectors
	Subsector	:	-
	Industry Classification	:	-
	Level of Government	:	Central
	Obligations Concerned	:	National Treatment
	Description	:	<p>Foreign investment shall appoint local distribution agents to sell its products to the end-users in Indonesia.</p> <p>For greater certainty, “foreign investment” means a foreign investor or a legal entity established as an Indonesian Limited Liability Company (<i>Perseroan Terbatas</i>) in accordance with the Source of Measures listed under reservation 3 of this List.</p>
	Source of Measure	:	<ul style="list-style-type: none"> - <i>Law No. 20 of 2008 concerning Micro, Small and Medium Enterprises as amended by Law No. 6 of 2023 concerning Stipulation of Government Regulation in Lieu of Law No. 2 of 2022 concerning Job Creation into Law</i> - <i>Minister of Trade Regulation No. 24 of 2021 concerning Distributorship Agreement by Distributor or Agent</i> - <i>Minister of Trade Regulation No. 22 of 2016 on General Provisions on the Distribution of Goods as amended by Minister of Trade Regulation No. 66 of 2019</i>

5.	Sector	:	All sectors
	Subsector	:	-
	Industry Classification	:	-
	Level of Government	:	Central
	Obligations Concerned	:	National Treatment Senior Management and Board of Directors
	Description	:	A foreign investment established under <i>Law No. 40 of 2007 concerning Limited Liability Company</i> as amended by <i>Law No. 6 of 2023 concerning Stipulation of Government Regulation in Lieu of Law No. 2 of 2022 concerning Job Creation into Law</i> is required to have any positions related to personnel affairs to be occupied by Indonesian nationals.
	Source of Measure	:	<ul style="list-style-type: none"> - <i>Law No. 13 of 2003 concerning Manpower</i> as amended by <i>Law No. 6 of 2023 concerning Stipulation of Government Regulation in Lieu of Law No. 2 of 2022 concerning Job Creation into Law</i> - <i>Government Regulation No. 34 of 2021 concerning the Employment of Foreign Workers</i> - <i>Minister of Manpower Regulation No. 8 of 2021 concerning Implementing Regulation of Government Regulation No. 34 of 2021 concerning the Employment of Foreign Workers</i>

6.	Sector	:	Mining and Quarrying
	Subsector	:	-
	Industry Classification	:	ISIC 1410, 1429
	Level of Government	:	Central
	Obligations Concerned	:	National Treatment
	Description	:	The establishment and operation of foreign investment in the following business fields are prohibited for foreign investors: <ul style="list-style-type: none"> - Sea sand extraction - Rock⁴ mining and quarrying
	Source of Measure	:	<ul style="list-style-type: none"> - <i>Law No. 4 of 2009 concerning Mineral and Coal Mining as amended by Law No. 3 of 2020, and further amended by Law No. 6 of 2023 concerning Stipulation of Government Regulation in Lieu of Law No. 2 of 2022 on Job Creation into Law</i> - <i>Government Regulation No. 96 of 2021 concerning the Implementation of Mineral and Coal Mining Activities</i>

⁴ For the purposes of this reservation, the term “rock” has the meaning set out in *Law No. 3 of 2020 concerning The Amendment of Law No. 4 of 2009 concerning Mineral and Coal Mining* and the coverage as set out in *Government Regulation No. 96 of 2021 concerning the Implementation of Mineral and Coal Mining Activities Article 2 (1) (d)*.

7.	Sector	:	All Sectors
	Subsector	:	Public Enterprise
	Industry Classification	:	-
	Level of Government	:	Central
	Obligations Concerned	:	National Treatment Senior Management and Board of Directors
	Description	:	National Treatment and Senior Management and Board of Directors may not apply in the event where activities restricted to designated enterprises ⁵ are liberalized to those other than the designated entities, or in the event where such a designated enterprise no longer operate on a non-commercial basis.
	Source of Measure	:	<i>Government Regulation No. 13 of 1998 concerning Public Enterprise</i>

⁵ For illustrative purposes, designated enterprise may include State Forestry Public Enterprise denoted as *Perum PERHUTANI* and National Money Printing Public Enterprise denoted as *Perum PERURI*.

8.	Sector	:	All sectors
	Subsector	:	-
	Industry Classification	:	-
	Level of Government	:	Central
	Obligations Concerned	:	National Treatment Senior Management and Board of Directors
	Description	:	For companies or projects that are in existence prior to the date of entry into force of the Second Protocol, conditions imposed in their approvals for permits shall continue to apply. Any changes to these conditions shall be subject to approval.
	Source of Measure	:	<i>Presidential Regulation No. 10 of 2021 concerning Investment Business Fields as amended by Presidential Regulation No. 49 of 2021</i>

9.	Sector	:	Manufacturing
	Subsector	:	-
	Industry Classification	:	ISIC (see below)
	Level of Government	:	Central
	Obligations Concerned	:	National Treatment
	Description	:	<p>Foreign investors are prohibited from establishing the following businesses in Indonesia:</p> <p>(a) reserved for micro, small, and medium enterprises⁶ and cooperatives:</p> <ul style="list-style-type: none"> • fish processing: boiling of fish (ISIC 1512) • manufacture of processed food from soybean: soybean tempeh manufacture; soybean tofu manufacture (ISIC 1513, 1549) • manufacture of crackers (<i>krupuk</i>), flakes (<i>keripik</i>), fried and flavoured biscuits (<i>peyek</i>) and the likes (ISIC 1513, 1514, 1549) • manufacture of palm sugar, Javanese sugar or red sugar (ISIC 1542) • manufacture of prepared meal and dishes: Rendang or meat dishes (ISIC 1511, 1549) • weaving of textiles industry, not included weaving of gunny sacks or other sacks (ISIC 1711, 1721, 1729), which include: <ul style="list-style-type: none"> - Weaving of Songket industry - Weaving of Ulos industry - Weaving of Cual industry - Weaving of Ulap Doyo industry - Weaving of Tenun Grinsing industry - Weaving of Tenun Tapis industry • tied woven fabrics (kain tenun ikat) industry (ISIC 1711, 1721, 1729) • embroidery/embroidery fabric industry (ISIC 1729) which include:

⁶ For the purposes of this reservation, the term “micro, small, and medium enterprises” has the meaning as set out in *Government Regulation No. 7 of 2021 concerning Ease, Protection, and Empowerment of Cooperatives and Micro, Small, and Medium Enterprises*.

		<ul style="list-style-type: none"> - Karawo fabric industry - Karancang fabric industry - Sulam usus fabric industry - Other industry of embroidered fabrics that are not made by machine • Batik industry: (ISIC 1712, 1729) <ul style="list-style-type: none"> - hand painted batik industry - combination of hand painted and stamped batik industry • traditional clothing industries from textiles/fabric and clothing accessory industries from textiles (ISIC 1810), which include: <ul style="list-style-type: none"> - Peci/Kopiah/Songkok industry - Traditional headband industry - Traditional belt industry - Mukena-making industry • handicrafts industry: rattan and bamboo plait industry; plait industry with plant other than rattan and bamboo (which include pandan, agel, mendong, ketak, purun, eceng gondok, keladi air); carving handicraft from wood, except furniture industry (which include wood carving, relief sculpture, mask, statue, wayang); kitchen household industry from wood, rattan and bamboo; wood, rattan, cork products industry that is not classified elsewhere (ISIC 2029, 3699) • traditional musical instruments industry (ISIC 3692) Traditional musical instruments industry, which include: <ul style="list-style-type: none"> - Angklung from West Java - Gordang Sembilan from North Sumatra - Dambus from Bangka Belitung - Kolintang from Minahasa - Gendang Beleg from NTB - Sasando from NTT - Tifa from Papua • rubber curing industry (ISIC 2519) • clay/ceramic made household necessities industry especially pottery and decorative ceramic (ISIC 2691) • non-power-driven cutting tools and hand
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		<p>tools for agriculture from metal (ISIC 2893), namely: Hoe, Shovel, Plow, Rake Shovel, Sickle, Ketam, Dodos, Egreg, Rubber Tapping Knife</p> <ul style="list-style-type: none"> • manual or semi mechanical processed hand-tools industry for handwork and cutting (ISIC 2893) • general tools industry (ISIC 2893), including: <ul style="list-style-type: none"> - Keris - Rencong - Mandau - Kujang - Badik - Tombak - Other traditional tools/weapons • maintenance and repair of motorcycles other than those integrating with sale of motorcycles (agents or distributor) (ISIC 5040) • repair of personal and household goods and home and garden equipment (ISIC 3610, 5260) • Salt processing industry that acquires geographical indication (ISIC 1549, 2429) which include: <ul style="list-style-type: none"> - Amed Bali Salt - Gunung Krayan Salt - Kusamba Bali Salt <p>(b) 100 per cent domestic equity participation:</p> <ul style="list-style-type: none"> • stamped batik industry (ISIC 1712) • traditional medicines processing and industry (ISIC 2423) • manufacture of raw materials for traditional medicines for humans (ISIC 2423) • coffee processing industry that acquires geographical indication (ISIC 1549) • manufacture of wooden goods (construction material industry) (ISIC 2022, 2029) • traditional cosmetics industry (ISIC 2424)
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		<ul style="list-style-type: none"> • manufacture of ships: Pinisi, Cadik, and other wooden ships with distinctive traditional designs (ISIC 3511, 3512)
Source of Measure	:	<ul style="list-style-type: none"> - <i>Law No. 25 of 2007 concerning Investment as amended by Law No. 6 of 2023 concerning Stipulation of Government Regulation in Lieu of Law No. 2 of 2022 concerning Job Creation into Law</i> - <i>Presidential Regulation No. 10 of 2021 concerning Investment Business Fields as amended by Presidential Regulation No. 49 of 2021</i> - <i>Government Policy</i>

10.	Sector	:	Agriculture
	Subsector	:	-
	Industry Classification	:	ISIC (see below)
	Level of Government	:	Central
	Obligations Concerned	:	National Treatment
	Description	:	<p>Foreign investors are prohibited from establishing the following businesses in Indonesia:</p> <p>(a) reserved for micro, small, and medium enterprises⁷ and cooperatives:</p> <ul style="list-style-type: none"> • for each individual crop cultivation in an area less than 25 hectares: <ul style="list-style-type: none"> - staple food crops (rice, corn, soybeans, groundnuts, green beans, cassava and sweet potatoes) and other food crops not classified elsewhere (ISIC 0111, 0112, 0113, 0200). • for each individual plantation business in an area less than 25 hectares: <ul style="list-style-type: none"> - other sweetener crops, sugar cane, tobacco, textile raw materials and cotton, cashews, coconut palms, oil palms, beverage crops (tea, coffee and cocoa), peppercorns, cloves, essential oil crops, medicinal or pharmaceutical crop, other spice crops, rubber and other trees for extraction of sap, fodder crops, cover crops, other seasonal crops, dates, other oil-producing crops, bit, olives, other plantation farming (ISIC 0111, 0112, 0113, 0200).
	Source of Measure	:	<ul style="list-style-type: none"> - <i>Law No. 39 of 2014 concerning Plantations as amended by Law No. 6 of 2023 concerning Stipulation of Government Regulation in Lieu of Law No. 2 of 2022 concerning Job Creation into Law</i> - <i>Government Regulation No. 5 of 2021</i>

⁷ For the purposes of this reservation, the term “micro, small, and medium enterprises” has the meaning asset out in *Government Regulation No. 7 of 2021 concerning Ease, Protection, and Empowerment of Cooperatives and Micro, Small, and Medium Enterprises*.

		<p><i>concerning Implementation of Risk-Based Business Licensing</i></p> <ul style="list-style-type: none"> - <i>Government Regulation No. 18 of 2010 concerning Plant Cultivation Business</i> - <i>Government Regulation No. 26 of 2021 concerning Implementation of The Agricultural Sector</i> - <i>Presidential Regulation No. 10 of 2021 concerning Investment Business Fields as amended by Presidential Regulation No. 49 of 2021</i> - <i>Agriculture Minister Regulation No. 98 of 2013 concerning Guidance of Plantation Business License as amended by Agriculture Minister Regulation No. 21 of 2017 concerning the Second Amendment of Regulation No. 98 of 2013</i> - <i>Agriculture Minister Regulation No. 39 of 2010 concerning the Guidelines on Business Licensing for Staple Crops Cultivation</i> - <i>Government Policy</i>
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11.	Sector	:	Forestry
	Subsector	:	-
	Industry Classification	:	ISIC (see below)
	Level of Government	:	Central
	Obligations Concerned	:	National Treatment
	Description	:	<p>Foreign investors are prohibited from establishing the following businesses in Indonesia:</p> <p>(a) reserved for micro, small, and medium enterprises⁸ and cooperatives:</p> <ul style="list-style-type: none"> • collecting forest products: shellac, agarwood, palm sugar, incense, masohi bark, lawang bark, cinnamon, other resins, swiftlet's nest in nature, honey (ISIC 0122, 0200) • collecting forests plants: rattan (ISIC 2010), pine sap (oleo pine resin) (ISIC 0200), bamboo (ISIC 0200), wood rosin or shorea javanica (damar) (ISIC 0200), eaglewood or aquilaria malaccensis (gaharu), cajuput/eucalyptus leaves (ISIC 0200) • collecting silkworm cocoon (natural silk farming) (ISIC 0122) <p>(b) 100 per cent domestic equity participation:</p> <ul style="list-style-type: none"> • water provisioning in conservation area (ISIC 0200) • water energy provisioning in conservation area (ISIC 0200) • capturing and trading of wild plants and wild animal from the natural wildlife habitat (ISIC 0150)
	Source of Measure	:	- <i>Law No. 41 of 1999 concerning Forestry as amended by Law No. 19 of 2004 and further amended by Law No. 6 of 2023 concerning Stipulation of Government Regulation in Lieu of Law No. 2 of 2022 concerning Job</i>

⁸ For the purposes of this reservation, the term "micro, small, and medium enterprises" has the meaning as set out in *Government Regulation No. 7 of 2021 concerning Ease, Protection, and Empowerment of Cooperatives and Micro, Small, and Medium Enterprises*.

		<p><i>Creation into Law</i></p> <ul style="list-style-type: none"> - <i>Law No. 5 of 1990 concerning Conservation of Natural Resources and Its Ecosystems</i> - <i>Government Regulation No. 5 of 2021 concerning Implementation of Risk-Based Business Licensing</i> - <i>Government Regulation No. 23 of 2021 concerning Forestry Management</i> - <i>Government Regulation No. 36 of 2010 concerning Natural Tourism Concession in the National Park Utilization Zone, Grand Forest Park, Nature Tourism Park</i> - <i>Government Regulation No. 8 of 1999 concerning Utilization of Plant and Wild Animal Species</i> - <i>Presidential Regulation No. 10 of 2021 concerning Investment Business Fields as amended by Presidential Regulation No. 49 of 2021</i> - <i>Government Policy</i>
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12.	Sector	:	All sectors
	Subsector	:	-
	Industry Classification	:	-
	Level of Government	:	Central
	Obligations Concerned	:	National Treatment
	Description	:	<p>(a) As may be required by the relevant regulatory authorities, a company in which foreign investors⁹ own 100 per cent equity participation, subject to prior notification before the grant of the license, after certain period since commencement of commercial production, the said foreign investors should sell a part of the company's share to domestic investors¹⁰.</p> <p>(b) In the case of Mineral and Coal Mining subsector¹¹, a mining business licence (<i>Izin Usaha Pertambangan</i>) for foreign investment¹² shall be granted by the Minister of Investment and verified by the Ministry of Energy and Mineral Resources of the Republic of Indonesia.</p> <p>Subject to prior notification before the grant of mining business licence (<i>Izin Usaha Pertambangan</i>), 10 years after the commencement of production, foreign shareholders¹³ of foreign investment should sell their shares gradually to Indonesian shareholders¹⁴ according to the following</p>

⁹ For the purposes of this reservation, the term "foreign investor" has the meaning as set out in *Law No. 25 of 2007 concerning Investment* as amended by *Law No. 6 of 2023 concerning Stipulation of Government Regulation in Lieu of Law No. 2 of 2022 concerning Job Creation into Law*.

¹⁰ For the purposes of this reservation, the term "domestic investor" has the meaning as set out in *Law No. 25 of 2007 concerning Investment* as amended by *Law No. 6 of 2023 concerning Stipulation of Government Regulation in Lieu of Law No. 2 of 2022 concerning Job Creation into Law*. For greater certainty, the requirement set out in paragraph (a) of this reservation is based on *Government Regulation No 20 of 1994* as amended by *Government Regulation No. 83 of 2001* and it will not be applied to investment made after the stipulation of *Law No. 25 of 2007 concerning Investment*.

¹¹ For the purposes of this reservation, the scope of Mineral and Coal Mining subsector is defined in *Law No. 4 of 2009* as amended by *Law No. 3 of 2020 concerning Mineral and Coal Mining* and *Government Regulation No. 96 of 2021 Concerning the Implementation of Mineral and Coal Mining Activities*.

¹² For the purposes of this reservation, the term "foreign investment" has the meaning as set out in *Law No. 25 of 2007 concerning Investment* as amended by *Law No. 6 of 2023 concerning Stipulation of Government Regulation in Lieu of Law No. 2 of 2022 concerning Job Creation into Law*.

¹³ For the purposes of this reservation, the term "foreign shareholders" has the meaning as set out in *Government Regulation No. 96 of 2021 Concerning the Implementation of Mineral and Coal Mining Activities*.

		<p>priorities central government, local government, state-owned enterprises (Badan Usaha Milik Negara), regional-owned enterprises (Badan Usaha Milik Daerah) and/or national private business entity.</p> <p>The shares of the said Indonesian shareholders shall reach majority after 15 years after the commencement of production.</p>
	<p>Source of Measure</p>	<p>:</p> <ul style="list-style-type: none"> - <i>Law No. 25 of 2007 concerning Investment as amended by Law No. 6 of 2023 concerning Stipulation of Government Regulation in Lieu of Law No. 2 of 2022 concerning Job Creation into Law</i> - <i>Law No. 4 of 2009 concerning Mineral and Coal Mining as amended by Law No. 3 of 2020 and Law No. 6 of 2023 concerning Stipulation of Government Regulation in Lieu of Law No. 2 of 2022 Concerning Job Creation into Law</i> - <i>Law No. 1 of 2014 concerning Management of Coastal Areas and Small Islands as amended by Law No. 6 of 2023 concerning Stipulation of Government Regulation in Lieu of Law No. 2 of 2022 concerning Job Creation into Law</i> - <i>Government Regulation No. 20 of 1994 concerning Share Ownership in a Company Established as a Foreign Investment as amended by Government Regulation No. 83 of 2001</i> - <i>Government Regulation No. 96 of 2021 concerning the Implementation of Mineral and Coal Mining Activities</i> - <i>Indonesia Investment Coordinating Board (BKPM) Regulation No. 4 of 2021 concerning Guidelines and Procedures on Risk-Based Business Licensing and Investment Incentives</i> - <i>Minister of Energy and Mineral Resources Regulation No. 9 of 2017 concerning Procedures of Divestment of Shares and Mechanism on Divestment Stock Pricing on</i>

¹⁴ For the purposes of this reservation, the term "Indonesian shareholders" has the meaning as set out in *Government Regulation No. 96 of 2021 Concerning the Implementation of Mineral and Coal Mining Activities*.

		<p><i>Mineral and Coal Mining Sector as amended by Minister of Energy and Mineral Resources Regulation No. 43 of 2018</i></p> <ul style="list-style-type: none">- <i>Minister of Energy and Mineral Resources Regulation No. 25 of 2018 concerning Mineral and Coal Mining Business as amended several times lastly with Minister of Energy and Mineral Resources Regulation No. 17 of 2020</i>
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13.	Sector	:	Mining and Quarrying
	Subsector	:	-
	Industry Classification	:	ISIC 1010, 1020, 1030, 1310, 1320
	Level of Government	:	Central
	Obligations Concerned	:	National Treatment
	Description	:	<p>Mining Business License Area (hereinafter referred to as "WIUP"), refers to an area given to the holder of a Mining Business License.</p> <p>Foreign investors or juridical person of another Party seeking to make an investment in Indonesia are prohibited from participating in the auction of metallic mineral and coal WIUP with the size of equal or under 500 hectares</p>
	Source of Measure	:	<ul style="list-style-type: none"> - <i>Law No. 4 of 2009 concerning Mineral and Coal Mining as amended by Law No. 3 of 2020 and Law No. 6 of 2023 concerning Stipulation of Government Regulation in Lieu of Law No. 2 of 2022 concerning Job Creation into Law</i> - <i>Government Regulation No. 96 of 2021 concerning the Implementation of Mineral and Coal Mining Activities</i> - <i>Minister of Energy and Mineral Resources Regulation No. 7 of 2020 concerning the Procedure for Granting Area, License, and Reporting on Mineral and Coal Mining Activities as amended by Minister of Energy and Mineral Resources Regulation No. 16 of 2021</i>

14.	Sector	:	All sectors
	Subsector	:	-
	Industry Classification	:	-
	Level of Government	:	Central
	Obligations Concerned	:	National Treatment
	Description	:	<p>Non-resident taxpayers will be subject to withholding tax of 20 per cent, if they derive the following income from an Indonesian source, which include:</p> <p>(a) Interest;</p> <p>(b) Royalty;</p> <p>(c) Dividend; or</p> <p>(d) Fee from service performed in Indonesia.</p>
	Source of Measure	:	<i>Law No. 36 of 2008 concerning The Fourth Amendment to Law No.7 of 1983 concerning Income Taxes amended by Law No. 7 of 2021 concerning Harmonization of Tax Regulations</i>

15.	Sector	:	All sectors
	Subsector	:	-
	Industry Classification	:	-
	Level of Government	:	Central
	Obligations Concerned	:	Prohibition of Performance Requirements
	Description	:	<p>Obligation under Article 6 (Prohibition of Performance Requirements) shall not apply to all existing non-conforming measures, which include measures related to these requirements:</p> <ul style="list-style-type: none"> (a) to achieve a given level or percentage of domestic content; (b) to relate the volume or value of imports to the volume or value of exports or to the amount of foreign exchange inflows associated with investments of that investor; (c) to restrict sales of goods in its territory that such investment produces by relating such sales to the volume or value of its exports or foreign exchange earnings; (d) to export a given level or percentage of goods; (e) to transfer a particular technology, a production process, or other proprietary knowledge to a person in its territory. <p>For specific purpose, a foreign investor or a legal entity established as Indonesian Limited Liability Company (<i>Perseroan Terbatas</i>) in accordance with <i>Law No. 40 of 2007 concerning Limited Liability Company</i> as amended by <i>Law No. 6 of 2023 concerning Stipulation of Government Regulation in Lieu of Law No. 2 of 2022 concerning Job Creation into Law</i>, which are employing foreign experts are required to provide trainings and transfer of technology to workers of Indonesian nationals pursuant to the laws and regulations.</p>
	Source of Measure	:	- <i>Law No. 25 of 2007 concerning Investment</i> as amended by <i>Law No. 6 of 2023 concerning Stipulation of Government Regulation in Lieu of Law No. 2 of 2022 concerning Job Creation into Law</i>

		<ul style="list-style-type: none">- <i>Law No. 40 of 2007 concerning Limited Liability Company as amended by Law No. 6 of 2023 concerning Stipulation of Government Regulation in Lieu of Law No. 2 of 2022 concerning Job Creation into Law</i>- <i>Government Policy</i>
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LIST B

EXPLANATORY NOTES

1. This List B sets out, pursuant to Article 13 (Reservations and Non-Conforming Measures) of Chapter 11 (Investment), Indonesia's existing measures that are not subject to some or all of the obligations imposed by:

- (a) Article 3 (National Treatment) of Chapter 11 (Investment);
- (b) Article 4 (Most-Favoured-Nation Treatment) of Chapter 11 (Investment);
- (c) Article 5 (Senior Management and Board of Directors) of Chapter 11 (Investment); or
- (d) Article 6 (Prohibition of Performance Requirements) of Chapter 11 (Investment).

2. List A and this List B pursuant to Article 13 (Reservations and Non-Conforming Measures) of Chapter 11 (Investment) follow the negative list with two list approach as follows:

- (a) List A sets out commitments in relation to existing non-conforming measures which are subject to standstill obligations but not subject to ratchet mechanism; and
- (b) this List B sets out policy flexibility in relation to measures in sectors, subsectors and activities.

3. Each reservation shall set out the following elements, where applicable:

- (a) **Sector** refers to the sector for which the entry is made;
- (b) **Subsector** refers to specific industries, products, and activities in which a reservation is taken;
- (c) **Industry Classification** where referenced, refers to the activity covered by the entry, according to the CPC, ISIC Rev. 3, or as expressly otherwise described in that entry:

ISIC Rev. 3 means the International Standard Industrial Classification of All Economic Activities as set out in the Statistical Papers, Series M, No.4, ISIC Rev. 3, Statistical Office of the United Nations, New York, 1990;

CPC means the Provisional Central Product Classification as set out in the Statistical Papers, Series M, No. 77, Department of International Economic and Social Affairs, Statistical Office of the United Nations, New York, 1991.

- (d) **Level of Government** indicates the level of government maintaining the listed measures;

- (e) **Obligations Concerned** refers to the obligations of Articles 3 (National Treatment), 4 (Most-Favoured-Nation Treatment), 5 (Senior Management and Board of Directors), and 6 (Prohibition of Performance Requirements), as the case may be, which do not apply to the listed measures;
- (f) **Description** sets out the non-conforming measure for which the entry is made; and
- (g) **Existing Measure** refers to existing measures that apply to the sector, subsector or activities covered by the reservations and is identified for transparency purposes only.

4. In accordance with Article 13 (Reservations and Non-Conforming Measures), the Articles of this Agreement specified in the Obligations Concerned element of an entry do not apply to the non-conforming measure identified in the Description element of that entry.

5. In the interpretation of a reservation, all elements of a reservation shall be considered. The Description element shall prevail over all other elements.

6. The Schedules of other Parties shall not be used to interpret Indonesia's obligations under Chapter 11 (Investment)

7. This note shall form part of Indonesia's reservations.

1.	Sector	:	All sectors
	Subsector	:	Customary Rights on Land and Properties
	Industry Classification	:	-
	Level of Government	:	Central and Regional
	Obligations Concerned	:	National Treatment
	Description	:	Indonesia reserves the right to adopt or maintain any measure related to customary rights of land and properties of minorities tribal groups.
	Existing Measures	:	<ul style="list-style-type: none"> - <i>Article 33 of the 1945 Constitution of The Republic of Indonesia</i> - <i>Government Policy</i>

2.	Sector	:	Manufacturing
	Subsector	:	-
	Industry Classification	:	ISIC (see below)
	Level of Government	:	Central
	Obligations Concerned	:	National Treatment
	Description	:	<p>Indonesia reserves the right to adopt or maintain measures for the establishment and operation of foreign investment in the following subsectors:</p> <p>a. Limitation on Foreign Equity Participation:</p> <ul style="list-style-type: none"> • industry of main equipment for defence and security (ISIC 2520, 2893, 2927, 2929, 3530). In the event of a strategic interest, foreign equity ownership may exceed the limitation with the approval of the Minister of Defence <p>b. Partnership:</p> <ul style="list-style-type: none"> • manufacture of copra (ISIC 1514) • sweetening and saline fruits and vegetable industry (ISIC 1513) • manufacture of soy sauce (ISIC 1549) • manufacture of foods from soybeans and beans other than soy sauce, tempeh, and tofu (ISIC 1513, 1514, 1531, 1549) • milk powder and condensed milk processing and industry (ISIC 1520) • rattan processing industry (ISIC 2010) • preserving industry of rattan, bamboo, and the likes (ISIC 2010) • coconut industry: coconut charcoal/briquettes industry; coconut coir fibre industry (ISIC 2411, 3699) • essential oil industry (ISIC 2429) • bricks and clay or ceramic industry (ISIC 2691, 2692, 2693)

		<ul style="list-style-type: none"> • other goods made from clay or ceramic industry (ISIC 2691, ISIC 2693) • lime industry (ISIC 2694) • goods made from cement industry (ISIC 2695) • good made from lime industry (ISIC 2695) • other goods made from cement and lime industry (ISIC 2695) • nails, nuts and bolts industry; component and spare parts industry for engine and turbine; other pumps, compressors, taps, and valves industry; component and accessories for two and three wheels motor vehicles industry (ISIC 2899, 2911, 2912, 3591, 3592) • spare parts accessories for motor vehicles with four or more wheels (ISIC 3430) • manufacture of devices and fittings of wooden ships for marine tourism and fishing (ISIC 3511) • manufacture of jewellery products from precious metal for personal use (ISIC 3330, 3691) • manufacture of jewellery products from precious metal for non-personal use (ISIC 3330, 3691) • manufacture of imitation jewellery and similar goods (ISIC 3330, 3699) • manufacture of precious stones (ISIC 3691) • manufacture of handicraft not elsewhere classified (ISIC 3699) • repair of boat, ship, and floating structure (ISIC 3511, 3512) • repair of other transport equipment other than motor vehicles (ISIC 3520, 3530, 3599)
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		<ul style="list-style-type: none"> • non-metal waste recycling and materials recovery (ISIC 3720) • sugar industry (ISIC 1542) • fishery processing industry: salting and drying of fish and biota from other waters (ISIC 1512); smoking of fish and biota from other waters (ISIC 1512); fish yeasting or fermentation, and other cooked products for extraction and fish jelly (ISIC 1512, 1549); processing of minced fish and surimi (ISIC 1512) • fish cannery (ISIC 1512) • saw mill or lumbering industry with production or output capacity below or equal to 2,000 cubic metres per year (ISIC 2010) • manufacture of medical devices in class A (ISIC 2423)
	Existing Measures	<p>: - <i>Law No. 25 of 2007 concerning Investment as amended by Law No. 6 of 2023 concerning Stipulation of Government Regulation in Lieu of Law No. 2 of 2022 concerning Job Creation into Law</i></p> <p>- <i>Presidential Regulation No. 10 of 2021 concerning Investment Business Fields as amended by Presidential Regulation No. 49 of 2021</i></p> <p>- <i>Regulation of the Minister of Health No. 62 of 2017 concerning Medical Devices and Household Health Products Distribution Authorisation as amended by Regulation of the Minister of Health No. 26 of 2018 concerning Integrated Electronic Business Licensing Services for the Health Sector</i></p> <p>- <i>Regulation of the Minister of Marine and Fisheries No. 5 of 2021 concerning Fishery Processing Business</i></p> <p>- <i>Government Policy</i></p>

3.	Sector	: Agriculture
	Subsector	: -
	Industry Classification	: ISIC (see below)
	Level of Government	: Central
	Obligations Concerned	: National Treatment
	Description	: Indonesia reserves the right to adopt or maintain measures for the establishment and operation of foreign investment in the following subsectors: (a) Limitation on Foreign Equity Participation <ul style="list-style-type: none"> • For each individual crops cultivation business in an area of more than 25 hectares: <ul style="list-style-type: none"> - staple food crops (rice, corn, soybeans, groundnuts, green beans and other food crops including cassava and sweet potatoes) (ISIC 0111, 0112, 0113, 0200) (b) Locational requirement: <ul style="list-style-type: none"> • Swine breeding and farming (ISIC 0122) (c) Partnership: <ul style="list-style-type: none"> • Breeding of broiler chicken (ISIC 0122)
	Existing Measures	: - <i>Law No. 18 of 2009 concerning Livestock and Animal Health as amended by Law No. 41 of 2014 and further amended by Law No. 6 of 2023 concerning Stipulation of Government Regulation in Lieu of Law No. 2 of 2022 concerning Job Creation into Law</i> - <i>Government Regulation No. 18 of 2010 concerning Plantation Cultivation Business</i> - <i>Government Regulation No. 8 of 1999 concerning Utilization of Plant and Wild Animal Species</i> - <i>Government Regulation No. 26 of 2021 concerning Implementation of The Agricultural Sector</i> - <i>Presidential Regulation No. 10 of 2021 concerning Investment Business Fields as amended by Presidential Regulation No. 49</i>

		<p>of 2021</p> <ul style="list-style-type: none"> - <i>Agriculture Minister Decree No. 404 of 2002 concerning Guidelines for License and Registration on Livestock Sector as amended by Agriculture Minister Regulation No. 70 of 2014 concerning Registration and Licensing for Livestock Businesses</i> - <i>Agriculture Minister Regulation No. 39 of 2010 concerning the Guidelines concerning Business Licensing for Staple Crops Cultivation</i> - <i>Government Policy</i>
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4.	Sector	:	Forestry
	Subsector	:	-
	Industry Classification	:	ISIC (see below)
	Level of Government	:	Central
	Obligations Concerned	:	National Treatment
	Description	:	<p>Indonesia reserves the right to adopt or maintain measures for the establishment and operation of foreign investment in the following subsectors:</p> <p>(a) Security and environmental restriction:</p> <ul style="list-style-type: none"> • hunting business in Hunting Parks and Hunting Blocks (ISIC 0150, 9219, 9241, 9249) • captive breeding of animals and plants, and conservation institutions (ISIC 0150) <p>(b) Recommendation or specific requirements by relevant authorities:</p> <ul style="list-style-type: none"> • Development of Technology used on plant and wildlife genetics (ISIC 0200)
	Existing Measures	:	<ul style="list-style-type: none"> - <i>Law No. 41 of 1999 concerning Forestry as amended by Law No. 19 of 2004 and further amended by Law No. 6 of 2023 concerning Stipulation of Government Regulation in Lieu of Law No. 2 of 2022 concerning Job Creation into Law</i> - <i>Law No. 5 of 1990 concerning Conservation of Natural Resources and Its Ecosystems</i> - <i>Government Regulation No. 23 of 2021 concerning Forestry Management</i> - <i>Government Regulation No. 36 of 2010 concerning Natural Tourism Concession in the National Park Utilization Zone, Grand Forest Park, Nature Tourism Park</i> - <i>Government Regulation No. 8 of 1999 concerning Utilization of Plant and Wild Animal Species</i> - <i>Government Policy</i>

5.	Sector	:	All sectors
	Subsector	:	-
	Industry Classification	:	-
	Level of Government	:	Central and Regional
	Obligations Concerned	:	National Treatment
	Description	:	<p>Indonesia reserves the right to adopt or maintain any measure relating to the privatization, corporatization, commercialization or divestment of government assets, entities or agencies including:</p> <ul style="list-style-type: none"> (a) limitations on ownership of assets; (b) transfer or disposal of equity interests or their assets; (c) the right of foreign investors or their investments to control their assets; and (d) nationality of the senior management or members of the board of directors. <p>For greater certainty:</p> <ul style="list-style-type: none"> (i) where Indonesia transfers an interest in an existing state enterprise to another state enterprise, such transfer shall not be considered to be an initial transfer or disposal of the interest for purposes of this reservation; and (ii) where Indonesia transfers or disposes of an interest in an existing state enterprise in multiple phases, subparagraph (i) shall apply separately to each such phase.
	Existing Measures	:	<ul style="list-style-type: none"> - <i>Law No. 19 of 2003 concerning State Owned Enterprises as amended by Law No. 6 of 2023 concerning Stipulation of Government Regulation in Lieu of Law No. 2 of 2022 concerning Job Creation into Law</i> - <i>Law No. 40 of 2007 concerning Limited Liability Company as amended by Law No. 6 of 2023 concerning Stipulation of Government Regulation in Lieu of Law No. 2 of 2022 concerning Job Creation into Law</i>

		- <i>Government Policy</i>
6.	Sector	: All Sectors
	Subsector	: -
	Industry Classification	: -
	Level of Government	: Central and Regional
	Obligations Concerned	: National Treatment
	Description	: Indonesia reserves the right to adopt or maintain any measure with respect to special preferences given to micro, small and medium sized enterprises and cooperatives (<i>Usaha Mikro, Kecil, Menengah dan Koperasi</i> or <i>UMKM</i>) in Indonesia ¹⁵ .
	Existing Measures	: - <i>Law No. 20 of 2008 concerning Micro, Small and Medium Enterprises</i> as amended by <i>Law No. 6 of 2023 concerning Stipulation of Government Regulation in Lieu of Law No. 2 of 2022 concerning Job Creation into Law</i> - <i>Law No. 17 of 2012 concerning Cooperatives</i> as amended by <i>Law No. 6 of 2023 concerning Stipulation of Government Regulation in Lieu of Law No. 2 of 2022 concerning Job Creation into Law</i>

¹⁵ For the purposes of this reservation, the term “micro, small, and medium sized enterprises (*UMKM*)” has the meaning as set out in *Law No. 20 of 2008 concerning Micro, Small and Medium Enterprises* as amended by *Law No. 6 of 2023 concerning Stipulation of Government Regulation in Lieu of Law No. 2 of 2022 concerning Job Creation into Law* and *Government Regulation No. 7 of 2021 concerning Ease, Protection, and Empowerment of Cooperatives and Micro, Small, and Medium Enterprises* and the term “cooperatives” has the meaning as set out in *Law No. 17 of 2012 concerning Cooperatives* as amended by *Law No. 6 of 2023 concerning Stipulation of Government Regulation in Lieu of Law No. 2 of 2022 concerning Job Creation into Law*.

For illustrative purpose, the criteria for micro, small, and medium enterprises are as follows:

- (a) Criteria for micro enterprise are as follows:
 - (i) has an asset, excluding land and building, up to IDR 1 billion; or
 - (ii) has an annual sales up to IDR 2 billion.
- (b) Criteria for small enterprise are as follows:
 - (i) has an asset, excluding land and building, more than IDR 1 billion up to IDR 5 billion; or
 - (ii) has an annual sales of more than IDR 2 billion up to IDR 15 billion.
- (c) Criteria for medium enterprise are as follows:
 - (i) has an asset, excluding land and building, more than IDR 5 billion up to IDR 10 billion; or
 - (ii) has an annual sales of more than IDR 15 billion up to IDR 50 billion.
- (d) The nominal amount as determined in subparagraphs (a), (b), and (c) above may be revised due to the economic condition by the Indonesia’s laws and regulations.

		<ul style="list-style-type: none"> - <i>Government Regulation No. 7 of 2021 concerning Ease, Protection, and Empowerment of Cooperatives and Micro, Small, and Medium Enterprises</i> - <i>Presidential Regulation No. 10 of 2021 concerning Investment Business Fields as amended by Presidential Regulation No. 49 of 2021</i> - <i>Government Policy</i>
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7.	Sector	:	Fishery
	Subsector	:	Capture Fisheries
	Industry Classification	:	ISIC 0500
	Level of Government	:	Central
	Obligations Concerned	:	National Treatment
	Description	:	Indonesia reserves the right to adopt or maintain any measure with respect to capture fisheries.
	Existing Measures	:	<ul style="list-style-type: none"> - <i>Law No. 31 of 2004 concerning Fishery as amended by Law No. 45 of 2009, and further amended by Law No. 6 of 2023 concerning Stipulation of Government Regulation in Lieu of Law No. 2 of 2022 concerning Job Creation into Law</i> - <i>Law No. 5 of 1983 concerning Indonesia's Exclusive Economic Zone</i> - <i>Government Regulation No. 27 of 2021 concerning Implementation of The Marine and Fisheries Sector</i> - <i>Government Regulation No. 85 of 2021 concerning Types and Tariffs for Types of Non-Tax State Revenues Applicable at The Ministry of Maritime Affairs and Fisheries</i> - <i>Presidential Regulation No. 38 of 2015 concerning Cooperation Between Government and Companies on Infrastructure Provision</i> - <i>Regulation of the Minister of Marine Affairs and Fisheries of the Republic of Indonesia No. 58/PERMEN-KP/2020 concerning Capture Fishery Business</i> - <i>Government Policy</i>

8.	Sector	:	Fishery
	Subsector	:	-
	Industry Classification	:	ISIC (see below)
	Level of Government	:	Central
	Obligations Concerned	:	National Treatment
	Description	:	<p>Indonesia reserves the right to adopt or maintain any measure for the establishment and operation of foreign investment in the following subsectors:</p> <p>(a) Partnership:</p> <ul style="list-style-type: none"> • fish hatchery and grow-out for freshwater, brackish water, and marine aquaculture (ISIC 0500) <p>(b) Recommendation or specific requirements by relevant authorities:</p> <ul style="list-style-type: none"> • cultivation of coral or ornamental coral reef (ISIC 0150)
	Existing Measures	:	<ul style="list-style-type: none"> - <i>Law No. 31 of 2004 concerning Fishery as amended by Law No. 45 of 2009, and further amended by Law No. 6 of 2023 concerning Stipulation of Government Regulation in Lieu of Law No. 2 of 2022 concerning Job Creation into Law</i> - <i>Law No. 5 of 1983 concerning Indonesia's Exclusive Economic Zone</i> - <i>Presidential Regulation No. 10 of 2021 concerning Investment Business Fields as amended by Presidential Regulation No. 49 of 2021</i> - <i>Decree of the Minister of Forestry of the Republic of Indonesia No. 447/Kpts-II/2003 concerning Procedures on Exploitation or Capturing and Distribution of Wild Plants and Animals</i> - <i>Government Policy</i>

9.	Sector	:	Mining and Quarrying
	Subsector	:	Extraction of Salt
	Industry Classification	:	ISIC 1422
	Level of Government	:	Central
	Obligations Concerned	:	National Treatment
	Description	:	Indonesia reserves the right to adopt or maintain any measure for the establishment and operation of foreign investment in the following subsectors: (a) Partnership: <ul style="list-style-type: none"> • Salt extraction/production
	Existing Measures	:	<i>Presidential Regulation No. 10 of 2021 concerning Investment Business Fields as amended by Presidential Regulation No. 49 of 2021</i>

10.	Sector	:	Energy
	Subsector	:	Electricity provision for power plant with less than 1 megawatt capacity
	Industry Classification	:	ISIC 4010
	Level of Government	:	Central
	Obligations Concerned	:	National Treatment
	Description	:	Indonesia reserves the right to adopt or maintain any measure with respect to investment in electricity provision for power plant with less than 1 megawatt capacity.
	Existing Measures	:	<i>Presidential Regulation No. 10 of 2021 concerning Investment Business Fields as amended by Presidential Regulation No. 49 of 2021</i>

11.	Sector	:	All sectors
	Subsector	:	-
	Industry Classification	:	-
	Level of Government	:	Central
	Obligations Concerned	:	National Treatment Most-Favoured-Nation Treatment Prohibition of Performance Requirements Senior Management and Board of Directors
	Description	:	Indonesia reserves the right to adopt or maintain any measure relating to sectors other than those recognized or that should have been recognized owing to the circumstances at the date of entry into force of the Second Protocol by Indonesia. Any sector classified explicitly in ISIC Revision 3 at the date of entry into force of the Second Protocol should have been recognized by Indonesia at that time.
	Existing Measures	:	<i>Government Policy</i>

12.	Sector	:	All Sectors
	Subsector	:	-
	Industry Classification	:	-
	Level of Government	:	Central
	Obligations Concerned	:	National Treatment Senior Management and Board of Directors
	Description	:	<p>Indonesia reserves the right to maintain any existing measure with respect to foreign investors or investments that have been overlooked, provided that the measures involved are already in force at the date of entry into force of the Second Protocol. When an overlooked measure is identified, it will be promptly inserted into List A of this Schedule.</p> <p>If an overlooked measure referred to in the paragraph above is identified, Indonesia will provide other Parties with details of the measure and the opportunity for consultations at least 90 days before including it in this Schedule.</p> <p>Indonesia will not withdraw a right or benefit from an investor that has made an investment in accordance with its laws and regulations, through the addition of an overlooked measure to this Schedule.</p>
	Existing Measures	:	<i>Government Policy</i>

13.	Sector	:	All Sectors
	Subsector	:	-
	Industry Classification	:	-
	Level of Government	:	Regional
	Obligations Concerned	:	National Treatment
	Description	:	National Treatment may not apply to measures relating to the procedural aspect of investment implementation licenses or permits ¹⁶ at the provincial level ¹⁷ .
	Existing Measures	:	<ul style="list-style-type: none"> - <i>Law No. 23 of 2014 concerning Local Government as amended by Law No. 6 of 2023 concerning Stipulation of Government Regulation in Lieu of Law No. 2 of 2022 concerning Job Creation into Law</i> - <i>Government Regulation No. 6 of 2021 concerning Implementation of Business Licensing in Regional Level</i> - <i>Government Regulation No. 24 of 2019 concerning Investment Incentive and Ease in Regional Level</i> - <i>Provincial Regulations</i> - <i>Government Policy</i>

¹⁶ For illustrative purposes, this may include location permit and building permit.

¹⁷ For the purposes of this reservation, provincial level means the regional level of government.

14.	Sector	:	Manufacturing, Agriculture, Fishery, and Forestry
	Subsector	:	-
	Industry Classification	:	-
	Level of Government	:	Central
	Obligations Concerned	:	National Treatment Prohibition of Performance Requirements Senior Management and Board of Directors
	Description	:	Indonesia reserves the right to adopt or maintain any measure to address a food security emergency as declared under relevant legislation and only for the duration of the declared food security emergency.
	Existing Measures	:	<ul style="list-style-type: none"> - <i>Article 33 of the 1945 Constitution of the Republic of Indonesia</i> - <i>Law No. 18 of 2012 concerning Foods as amended by Law No. 6 of 2023 concerning Stipulation of Government Regulation in Lieu of Law No. 2 of 2022 concerning Job Creation into Law</i> - <i>Government Regulation No. 17 of 2015 concerning Food Security and Nutrition</i> - <i>Government Policy</i>

15.	Sector	:	All sectors
	Subsector	:	-
	Industry Classification	:	-
	Level of Government	:	Central
	Obligations Concerned	:	National Treatment Most-Favoured-Nation Treatment Prohibition of Performance Requirements Senior Management and Board of Directors
	Description	:	Indonesia reserves the right to adopt or maintain any measure with respect to investment in services sectors and subsectors
	Existing Measures	:	<i>Government Policy</i>

16.	Sector	:	All Sectors
	Subsector	:	-
	Industry Classification	:	-
	Level of Government	:	Central
	Obligations Concerned	:	Prohibition of Performance Requirements
	Description	:	Indonesia reserves the right to adopt any future non-conforming measure relating to rate or amount of royalty under a license contract.
	Existing Measures	:	<i>Government Policy</i>

17.	Sector	:	All sectors
	Subsector	:	-
	Industry Classification	:	-
	Level of Government	:	Central and Regional
	Obligations Concerned	:	Most-Favoured-Nation Treatment
	Description	:	<p>Indonesia reserves the right to adopt or maintain any measure related to more favourable treatment accorded to investors to a non-Party and their investment resulting from:</p> <p>(a) any existing or future preferential agreement or arrangement between or among Member States of ASEAN;</p> <p>(b) any existing agreement in force or signed prior to the date of entry into force of the Second Protocol; and</p> <p>(c) any international agreement in force or signed after the date of entry into force of the Second Protocol, involving:</p> <p>(i) aviation;</p> <p>(ii) fisheries; or</p> <p>(iii) maritime matters, including salvage.</p>
	Existing Measures	:	<i>Government Policy</i>

18.	Sector	:	Manufacturing, Agriculture, Fishery, and Forestry
	Subsector	:	-
	Industry Classification	:	-
	Level of Government	:	Central
	Obligations Concerned	:	National Treatment Most-Favoured-Nation Treatment Prohibition of Performance Requirements Senior Management and Board of Directors
	Description	:	Indonesia reserves the right to adopt or maintain any measure on the following line of business: <ul style="list-style-type: none"> • cultivation and manufacture of class I narcotics (ISIC 0111) • catching of fish species listed in Appendix I to the <i>Convention on International Trade in Endangered Species of Wild Fauna and Flora</i> (CITES) (ISIC 0500) • lifting of valuable artifacts from shipwrecks (ISIC 6303) • utilization (collection) of coral from nature for construction materials, lime, or calcium, aquarium, and souvenirs or jewellery as well as living coral or dead coral (recently dead) coral from nature (ISIC 0500) • industrial chemical industry and Ozone Depleting Substances (BPO) industry (ISIC 2411) • chemical weapon industry (ISIC 2411) • alcoholic hard liquor industry (ISIC 1551) • alcoholic beverages industry: wine (ISIC 1552) • malt beverages industry (ISIC 1553)
	Existing Measures	:	- <i>Law No. 6 of 2023 concerning Stipulation of Government Regulation in Lieu of Law No. 2 of 2022 concerning Job Creation into Law</i> - <i>Presidential Regulation No. 10 of 2021 concerning Investment Business Fields as amended by Presidential Regulation No. 49 of 2021</i> - <i>Government Policy</i>

19.	Sector	:	All sectors
	Subsector	:	-
	Industry Classification	:	-
	Level of Government	:	Central
	Obligations Concerned	:	National Treatment Most-Favoured-Nation Treatment Prohibitions of Performance Requirements Senior Management and Board of Directors
	Description	:	Any obligations arising from the recognition of any natural person possessing the right of permanent residence in a Party as investor under this Agreement shall neither apply to, nor be claimed upon Indonesia.
	Existing Measures	:	<ul style="list-style-type: none"> - <i>Law No. 25 of 2007 concerning Investment as amended by Law No. 6 of 2023 concerning Stipulation of Government Regulation in Lieu of Law No. 2 of 2022 concerning Job Creation into Law</i> - <i>Government Policy</i>