



AMENDMENTS TO THE SUBMISSION OF INVESTMENT ACTIVITY REPORTS IN INDONESIA

On November 13th, 2020, the Investment Coordinating Board (Badan Koordinasi Penanaman Modal, "BKPM") has issued a new implementing regulation under BKPM Regulation No. 6 of 2020 concerning the Investment Control Guidelines and Procedures ("BKPM Regulation 6/2020"), which redefines several provisions, including but not limited to the new arrangement for submission of an Investment Activity Report (Laporan Kegiatan Penanaman Modal, LKPM).

Overall, changes have been introduced to:

1. Criteria to determine the period of LKPM submission for Foreign Limited Liability Company (PT PMA) based on the investment value;
2. Migration of submission procedure from the SPIPISE to the OSS System; and
3. Stricter administrative sanctions upon the non-compliance of LKPM Submission.

What is an LKPM?

An LKPM is a report on the realization of investments and problems faced by business actors that needs to be prepared and submitted periodically.¹ Every foreign business actor in Indonesia are obliged to submit their LKPM report to the Investment Coordinating Board periodically.

Who is required to submit an LKPM?

Foreign Limited Liability Company		
Investment Value	LKPM Submission Obligation	Submission Deadlines
IDR 50 Million – IDR 500 Million (USD 3,400 – USD 34,000)	Required to submit LKPM once every six months (semesterly)	1 st Semester: 10 th July 2021 2 nd Semester: 10 th January 2022
IDR 500 Million – IDR 10 Billion (USD 34,000 – USD 670,000)	Required to submit LKPM once every three months (quarterly)	Q1: 10 th April 2021 Q2: 10 th July 2021 Q3: 10 th October 2021 Q4: 10 th January 2022
>IDR 10 Billion (>USD 670,000)		

¹ Article 1 paragraph 25, BKPM Regulation 6/2020

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The criteria to submit LKPM is determined based on the Company's investment value. The new implementing regulation specifically excludes the following businesses from the LKPM Submission²:

- Businesses with investment values of less than IDR 50 million;
- Businesses operating within the following sectors:
 - › Oil and gas,
 - › Banking;
 - › Non-bank financial institutions; and
 - › Insurance.

General Representative Offices

Entity types	LKPM Submission Obligation	Submission Deadlines
General Representative Office (KPPA)		
Trade Representative Office (KP3A)	Required to submit LKPM once every six months (semesterly)	1 st Semester: 10 th July 2021 2 nd Semester: 10 th January 2022
Oil & Gas Representative Office (KPA Migas)		
Foreign Construction Representative Office (BUJKA)	Required to submit LKPM once every 12 months	10 th January 2022

New procedure to submit an LKPM

Previously, submitting the LKPM report was done through the Electronic Investment Information and Licensing Services (SPIPISE) system. It is now done via the OSS system.³

Initial LKPM Submission Deadlines

Submission deadline for companies that submit an LKPM for the first time since the issuance of their business licenses.

² Article 10 paragraph 3, BKPM Regulation 6/2020

³ Article 10 paragraph 2, BKPM Regulation 6/2020



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Time of issuing the business license	Submission of an LKPM for the first time
Companies with an investment value of between 50 Million – IDR 500 Million	
The first five months of a semester	Within the semester in which the business licence is issued
The sixth month of a semester	Within the following semester from the one in which the business licence is issued.
Companies with an investment value of (i) Between IDR 500 Million – IDR 10 Billion; and (ii) >IDR 10 Billion	
The first two months of a quarterly period	Within the quarterly period in which the business license is issued
The third month of a quarterly period	Within the following quarter from the one in which the business license is issued

What are the sanctions if a business not submit an LKPM report to the BKPM?⁴

1. Cancellation of business licenses for the business activities;
2. Revocation of business licenses for business activities;
3. Revocation of KPPA, KP3A, KPA Migas, KP-BUJKA, franchise registration certificates (Surat Tanda Pendaftaran Waralaba) for foreign franchisors and futures trader registrations;
4. Closure of administrative branch offices; and
5. Imposition of administrative sanctions.

 Our support

With a large team of lawyers and legal experts working across our offices in Asia, we have effectively assisted companies in setting up and managing their ongoing compliance as they operate in the region. Companies looking for assistance in corporate establishment in Indonesia as well as preparation and submission of the LKPM can **contact us** for further support.

1. Corporate establishment and governance
2. Advisory and preparation for the initial LKPM Submission
3. Submission of the LKPM to the Investment Coordinating Board

⁴ Article 29 paragraph 1, BKPM Regulation 6/2020

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