

Overview Investment Law in Indonesia

Throughout the years, Indonesia remains one of the most attractive countries for Foreign Investors, especially in the Southeast Asia region. In 2007, the Government issued the legal basis of Investment Law, the Law No. 25 of 2007 on Investment (“**Investment Law**”). The regulation, together with the Indonesia Investment Coordinating Board (*Badan Koordinasi Penanaman Modal*) are the two pillars of Investment Law and Regulation in Indonesia.

In Indonesia there are two common forms of Foreign Investment. The first is Direct Investment, in which the investment must be in the form of establishing a limited liability company called Foreign Direct Investment Companies (FDI Companies) otherwise known as PT PMA. The second is Indirect Investment. Of the two, only Direct Investment is regulated directly by the Investment Law.

Due to the vast industries and business sectors available in Indonesia, in order to invest in Indonesia investors have to liaise with several Government Agencies outside Indonesia Investment Coordinating Board pursuant to the business sector of their business. For some business sectors, foreign investment are limited and even restricted. Some also require the Investors to obtain technical recommendations.

It is common for Foreign Investors to invest in existing Companies aside from establishing their own in Indonesia. Foreign Investors establishing Representative Offices to perform research, supervising and coordinating the business of their Parent Company overseas are also commonly found in Indonesia.

The Future

Realization of BP Lawyers’s clients’ objective is the foremost consideration. BP Lawyers’s people are all experienced and dedicated to the full achievement of our clients’ objectives by assisting clients to find their main goals, providing active advisory assistance, strategy advisement, and creative support with quick responses around the clock.





With recognition of entrepreneurial spirit, and high standards of service and ethics, we have been very successful in providing timely and cost-effective representation of our clients. We also believe that complicated legal issues may not always demand complicated solutions, but they certainly demand creativity and the cooperation of lawyers mastering different areas of the law.

Involvement in The Investment Sector

BP Lawyers has longstanding experience and expertise in all aspect of the Investment sector. We have been retained by numerous multinational and domestic companies to assist in various stages of their Investment in Indonesia, such as:

- ✓ Remedial Performance Pte. Ltd.;
- ✓ PT Golden Lines Indonesia;
- ✓ PT Males Banget Dot Com.
- ✓ PT Nusantara Hijau Mas
- ✓ Chasswood Resources
- ✓ PT Yokee Food Industries
- ✓ PT Golden Lines Indonesia
- ✓ PT Advangraam Engineering Indonesia
- ✓ PT Dayacipta Persada Abadi
- ✓ PT Sooqy Global Internasional

Recent Experience in The Investment Sector

- 1) Assisting Foreign Investors in establishment of Foreign Direct Investment Companies in the F&B, Travel Agency, Luxury Hotel Management, Software Consultancy and other business sectors.
- 2) Assisting and Accompanying Capital Firms in structuring investment schemes and negotiating with investment targets in Indonesia.
- 3) Assisting Local Companies in expanding their business and converting to Foreign Direct Investment Companies.
- 4) Assisting Foreign Direct Investment Companies (PT PMA) working in the Oil and Gas support services in executing their investment structure for business expansion to other Oil and Gas services.



- 5) Assisting and Representing Clients in registration and mandatory presentation as a Foreign Direct Investment Company in front of Indonesia Investment Coordinating Board.
- 6) Assisting Foreign Companies in establishing Representative Offices in Indonesia to perform market research for future Company Establishment purposes.
- 7) Legal Due Diligence to support Investment Plans of Foreign Investors and Foreign Direct Investment Companies of Local Companies.

Fee Structures

A. Hourly Fee System

This is the most common method by which our office charges fees to clients. Under this system we charge clients for the actual time spent by our lawyers that are assigned to the case. Currently the hourly charges of our lawyers are:

Title	Rate
Partners	IDR 2,000,000/hour
Associates	Ranging from IDR 500,000 - IDR 1,500,000 per hour depending on Seniority

By this method, we will charge clients monthly in arrear (except that for new clients, we normally require a deposit, the amount of which would depend on the case).

B. Project Fee System

This system would be beneficial to the client for transactions that are normally standard and can be readily quantifiable. In this system we would quote a lump sum fee (IDR 30,000,000 - 150,000,000) for the whole project with details of the scope of works covered. Any work beyond the scope of work or time beyond a capped limit would be charged separately. In order to set on appropriate lump sum fee, we would firstly have to know the scope of work required by the client.

C. Retainer Fee System

In this system the client pays us a fixed retainer monthly/annually, which will allow the client to utilize our services up to a pre-set time limit during the retainer period. Any time beyond the set limit will be charged



additionally based on the applicable hourly fees of the lawyers handling the case (however with a pre-agreed discount). This system will provide the client with substantial savings if we are utilized effectively.

More details for of the retainer arrangement will be set forth in the retainer agreement.

Please note that all the fee systems above require the client to pay out-of-pocket expenses (e.g. traveling, long distance calls, photocopies, faxes, etc.).

We believe our experience and expertise in this area of law will support each client's objectives of achieving the best possible outcome, whether it be precautionary of any business interruption or seeking first step of remedies for avoiding litigation case.

If you would like additional information or about the Firm, please contact us (+62 889 2630 556, email: info@bplawyers.co.id).



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