

Overview Labor Law in Indonesia

Indonesia is characterized by its dynamic labor conditions. In 2004, the country completed a labor law reform program through the enactment of Law No. 2 on the Settlement of Industrial Relations Disputes. This was the last of the three pieces of major labor legislation regulating labor issues in Indonesia, along with Law No. 21 of 2000 on Trade Unions and Law No. 13 of 2003 on Employment.



In addition, Indonesia was the first country in Asia and the fifth in the world to ratify all core ILO Conventions. Since becoming a member of the ILO in 1950, Indonesia has ratified 18 conventions – eight core conventions, eight general conventions, and two other conventions. Be that as it may, Indonesia is still not free from labor problems.

Disputes between employers and workers are common in industrial relations. Industrial disputes in recent years have often ended in violence, either with workers taking out their frustration at the failure to resolve their grievances, or employers enlisting security forces to put down protests.

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 Labors Sector

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

- ✓ PT Telekomunikasi Seluler (Telkomsel);
- ✓ PT Coca Cola Bottling Indonesia (Coca Cola);
- ✓ PT Lativi Mediakarya (tvOne);
- ✓ PT Mulia Knitting Factory;
- ✓ The Sultan Hotel Jakarta (PT Indobuildco);
- ✓ PT Agranet Multicitra Siberkom (Detik.com);
- ✓ PT Tamura Air Conditioning Indonesia;
- ✓ PT Dok & Perkapalan Bahari (Persero);
- ✓ Grameen Foundation;
- ✓ PT People Search Indonesia
- ✓ K-Swiss International Manufacturing
- ✓ Yayasan Sekar Laut PELNI
- ✓ PT Putra Hatim Mandiri
- ✓ PT Jaya Readymix; and
- ✓ PT Dyna Pack Indonesia.

Recent Experience in The Labor Sector

- 1) Assisting and or representing Clients in the mediation in relation to termination of employment;
- 2) Preparing Legal Opinion to Clients pertaining to manpower issues;
- 3) Preparing Company Regulations and Collective Employment Agreement;
- 4) Representing PMA/national companies in termination of employment before Industrial Court.



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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