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Permenkominfo 1/2021: New Chapter in The Organization Of Telecommunication **Services Organization** 

**Omnibus Law: Welcoming and Regulating** The 5G Network in Indonesia

> Bitcoin: Is it Recognized as a Means of Payment in Indonesia?



DIGITAL TRANSFORMATION ON TELECOMMUNICATIONS **SERVICES IN INDONESIA** 



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Looking forward to hearing from you.

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"Leadership in telecommunications is also essential. since we are now in the age of e-commerce.

- Michael Oxlev -

Dear Reader.

Warm greetings to all readers. We hope that all of us will always be given safety, health, and happiness.

ACTIO is back for all readers with the main topic, "Digital Transformation in Telecommunication Services in Indonesia".

The Pandemic Covid-19's condition is already happening more than a year. There are so many aspects of life, economy and business that have been negatively affected by this condition, not only in Indonesia but also throughout the world.

However, there are also some industries that can survive and even increased. One of them is in the telecommunications sector. In an era that is completely limited due to physical restrictions for each individual, telecommunications facilities and infrastructure are important and very much needed.

ACTIO 15 discusses legal development in the telecommunications sector in Indonesia, such as: Ministry of Communication and Information, preparing policies to push for 5G network acceleration, the readiness of the Indonesian government with the entry of 5G networks, the changes of regulations of the Ministry of Communication and Information regarding the provider's services, telecommunications and also the laws and the regulations related to Bitcoin transactions.

We hope that the edition of these articles can provide useful information for all readers

Happy reading.

Best Regards,

#### ANGGRAENI AND PARTNERS

Setyawati Fitri A, S.H., LL.M., FCIArb **Managing Partners** 



## GOVERNMENT REGULATES THE TERMS OF COOPERATION ON THE USE OF RADIO SPECTRUM

rticle 71 of Law No. 11 of 2020 on Copyright Work (Omnibus Law) amends the Article 33 in Undang No. 36 of 1999 concerning Telecommunications (Telecommunication Law) concerning the use of radio spectrum. In contrast with the Telecommunications Law, Article 71 of the Omnibus Law explicitly states that investors can cooperate in the use of radio spectrum, which has been one medium that plays an important role in telecommunication services, especially mobile-based telecommunications.<sup>1</sup>

Commissioner of the Indonesian Telecommunication Regulatory Agency (BRTI), I Ketut Prihadi Kresna, stated that the same use of radio frequency spectrum between radio spectrum permit holders and other telecommunication operators can be done for the application of new technologies or the transfer of the use of radio frequency spectrum. With the arrangement of cooperation on the use of spectrum, it is expected that the optimization of telecommunications implementation can occur, namely radio frequency can be allocated to all telecommunication companies (mobile operators)

<sup>1.</sup> https://nasional.kontan.co.id/news/penggunaan-bersama-spektrum-frekuensi-radio-untuk-telekomunikasi-tunggu-pp

that are national in nature to serve the community, especially for service areas that can not be reached by the public.<sup>2</sup> Currently, there are approximately 12,000 villages/sub-district that do not have 4G cellular service so there is still a need for the construction of telecommunication network infrastructure for the 12,000 villages.<sup>3</sup>

Technical implementation of cooperation on the use of radio spectrum is stipulated in Government Regulation No. 21 of 2021 concerning Postal, Telecommunications and Broadcasting (GR Postal, Telecommunications and Broadcasting ). GR Postal, Telecommunications and Broadcasting explained that the purpose of cooperation in the use of radio frequency spectrum is due to:(i) optimization of the use of radio frequency spectrum; (ii) the cost efficiency of building telecommunication infrastructure using radio frequency spectrum; (iii) expand the coverage of areas served by telecommunication services; (iv) improvement of telecommunication service quality; (v) provide new telecommunication services; (vi) make the price of telecommunication services more affordable for the community; and/or (vii) the fulfillment of the needs of the national interest.4

The purpose of cooperation in the use of radio frequency spectrum is to create the efficiency of network development. If the network development is only done by one telecommunication operator with a limited spectrum, it requires large and expensive funds. As a result, the price or tariff offered to customers will also be expensive so that the public can not enjoy more. In addition, the cooperation of the use of radio frequency spectrum is related to the quality of service. The quality of service received by customers should be good and as optimal as possible. **TWK/DGM/HES** 



- 2. Idem
- 3. Idem
- 4. Article 50 PP Telecommunication Post and Free channels broadcasting on



# OMNIBUS LAW: WELCOMING AND REGULATING THE 5G NETWORK IN INDONESIA

t cannot be denied that the Covid-19 pandemic has increased the need for telecommunication network access to support various aspects of people's lives. According to the data from social-Hootsuite, as reported by detikNews, that as of January 2021, the number of internet users in Indonesia has increased to 73.7% of Indonesia's population of 274.9 million, or over 202.6 million users. Over the past year, there were an additional of 27 million users.¹ This encourages the acceleration of the digital transformation process in Indonesia. The 5G network is predicted to be the backbone of digital transformation in Indonesia.²

The operation of 5G network connection requires a certain radio frequency spectrum. As a limited means, the use of radio frequency spectrum must be optimized in order to provide maximum benefit to the people. There are provisions in Law Number 11 of 2020 on Job Creation ("Omnibus Law") which regulates the optimization of the use of the radio frequency spectrum, including the use of 5G networks in Indonesia in the future. This provision is contained in Article 71 number 5 of the Omnibus Law which allows joint use of the radio frequency spectrum.

Heru Sutadi, "Pandemi dan Meningkatnya Kebutuhan Akses Data Internet", 24 February 2021, https://news.detik.com/adv-nhl-detikcom/d-5435334/pandemi-dan-meningkatnya-kebutuhan-akses-data-internet, accessed on 25 February 2021

Press Release No. 162/HM/KOMINFO/12/2020 on Kominfo Prepares Policy to Push 5G Network Acceleration, https://kominfo.go.id/content/ detail/31345/siaran-pers-no-162hmkominfo122020-tentang-kominfo-siapkan-kebijakan-dorong-akselerasi-jaringan-5g/0/siaran\_pers, accessed on 25 February 2021

Article 71 of the Omnibus Law amends the provisions of Article 33 of Law Number 36 of 1999 on Telecommunication. Based on paragraph (6) of the article, it is possible for a radio frequency spectrum usage business license holder to cooperate and/or transfer the use of a radio frequency spectrum for the application of new technology to other telecommunication operators. This provision is further regulated through Government Regulation Number 46 of 2021 on Post, Telecommunication and Broadcasting ("GR 46/2021"). The purposes of the cooperation in the use of the radio frequency spectrum are as follows:<sup>3</sup>

- a. to optimize the use of the Radio Frequency Spectrum;
- cost efficiency of telecommunication infrastructure development which uses the Radio Frequency Spectrum;
- c. to expand the coverage area served by telecommunication services:
- d. to improve the quality of telecommunication services:
- e. to present new telecommunication services;
- f. to make telecommunication service prices to be more affordable for the people; and/or
- g. fulfilment of the needs of the national interest.

With a big demand of radio frequency in relation to the implementation of 5G connections, the patterns of cooperation for the use of radio frequency spectrum can optimize the existing frequency band resources. However, this cooperation pattern needs to be supervised in order to create a climate of healthy business competition among telecommunication providers. The supervision in this case is regulated in GR 46/2021, where cooperation in the use of radio frequency spectrum must obtain approval from the Minister of Communication and Information Technology ("Minister") based on the results of evaluation.4 The Minister shall supervise and control the implementation of cooperation in the use of radio frequency spectrum at least 1 (one) time in 1 (one) year.<sup>5</sup> In the event that the results of



the supervision shows that there are mismatch in the purpose of the cooperation in the use of radio frequency as mentioned above and/or the principle of fair and non-discriminatory business competition, the telecommunication operator which conducts the cooperation in the use of the radio frequency spectrum will be subject to administrative sanctions in the form of a written warning, administrative fine, and/or revocation of approval on the cooperation agreement for the use of radio frequency spectrum.<sup>6</sup>

The provisions, as described above, are one of the government's efforts to prepare the implementation of digital transformation in Indonesia, including the implementation of the 5G network. With the existence of a legal basis for the implementation of cooperation agreements in the use of a radio frequency band, this will hopefully promote the optimal use of the available frequency resources for the implementation of the 5G network in Indonesia. **HAL/ALH/HES** 

<sup>3.</sup> Article 50 paragraph (4) of GR 46/2021

<sup>4.</sup> Article 50 paragraph (6) of GR 46/2021

<sup>5.</sup> Article 54 paragraph (1) of GR 46/2021

<sup>6.</sup> Article 54 paragraph (2) of GR 46/2021



# BITCOIN: IS IT RECOGNIZED AS A MEANS OF PAYMENT IN INDONESIA?

Bitcoin is a type of crypto currency, which first appeared in 2009.¹ Basically, Bitcoin is a digital currency that can be used as a means of payment in several countries, for example Singapore, Germany, Canada, and Finland.² However, even though several countries have accepted Bitcoin as a means of payment, Indonesia has not accepted Bitcoin as a legitimate means of payment.

There are at least three basic considerations why Bitcoin cannot be used as a legitimate means of payment in Indonesia.

**First**, Law Number 7 Year 2011 concerning Currency (Currency Law) strictly limits the legitimate Currency to be used as money issued by the Unitary State of the Republic of Indonesia, namely Rupiah.<sup>3</sup> This

causes the use of any currency, other than Rupiah, including Bitcoin, to be illegitimate means of payment. This provision is reinforced by Article 21 paragraph (1) Currency Law, which stipulates that the Rupiah shall be used in the territory of the Republic of Indonesia in:

- a. Each transaction that has a payment purpose;
- b. Settlement of other obligations that have to be settled using money; and/or
- c. Other financial transactions.

Further, based on Article 33 paragraph (1) of the Currency Law, any person who does not comply with the provisions of Article 21 paragraph (1) of the Currency Law shall be subject to a maximum imprisonment of 1 (one) year and a maximum fine of Rp. 200,000,000.00 (two hundred million Rupiah).

<sup>1.</sup> https://bitcoin.org/id/faq#apa-itu-bitcoin, accessed on 24 February 2021.

<sup>2.</sup> Kadek Gitari Pudjastuti and I Ketut Westra, *Legalitas Mata Uang Birtual Bitcoin dalam Transaksi Online di Indonesia*, Jurnal Kertha Wicara, Vol. 9-No. 11, page 6.

<sup>3.</sup> Article 1 number 1 Currency Law.

**Second**, in addition to the provisions of the Currency Law as mentioned above, Bank Indonesia has also not recognized the use of Bitcoin as a means of payment, this is based on:

- Bank Indonesia Regulation Number 17/3/ PBI/2015 of 2015 concerning Mandatory Use of Rupiah (PBI 17/2015). Through this regulation, Bank Indonesia regulates that every person is required to use Rupiah in a transaction that is conducted within the territory of the Republic of Indonesia (vide Article 2 PBI 17/2015).
- ii. Bank Indonesia Regulation Number 18/40/ PBI/2016 of 2016 concerning the Implementation of Payment Transaction Processing (PBI 18/2016). Through this regulation, Bank Indonesia regulates that Payment System Service Providers are prohibited from processing payment transactions using virtual currency and shall comply with laws and regulations regarding the mandatory use of rupiah for payment transactions in Indonesia (vide Article 34 letter a jo. Article 27 PBI 18/2016); and
- iii. Bank Indonesia Regulation Number 19/12/ PBI/2017 of 2017 concerning the Organization of Financial Technology (PBI 19/2017). This Bank Indonesia Regulation stipulates that all Financial Technology Organizers that are registered under Bank Indonesia are required to use rupiah in every transaction made within the territory of the Republic of Indonesia (vide Article 8 paragraph (1) letter d PBI 19/2017).

The above regulations do not explicitly state the prohibition on the use of Bitcoin, however they stipulate that only Rupiah can be used as a means of payment. Further, Bank Indonesia has also recommended the public not to sell and purchase Bitcoin due to the high risk of money laundering and terrorism financing, the lack of any responsible authority, the absence of any legitimate administrator, and that there are no underlying assets that underlie the price of Bitcoin, and finally the volatility of its value when trading.<sup>4</sup>



**Third**, the Commodity and Futures Trading Regulatory Agency (Badan Pengawas Perdagangan Berjangka Komoditi - Bappebti) through Regulation Number 5 of 2019 (Bappebti Regulation) determines Bitcoin as one of the forms of Crypto Asset. Bappebti states that the regulation regarding Crypto Asset was made by considering the potential for investment in crypto asset trading which is quite large, very dynamic, and considered the development of crypto assets as getting better in the future.<sup>5</sup>

Crypto Asset is an intangible Commodity in the form of a digital asset, using cryptography, peerto-peer network, and distributed ledger, to regulate the creation of new units, verify transactions, and secure transactions without interference from other parties.<sup>6</sup> In order for a Crypto Asset to be traded in the Futures Exchange, the relevant Crypto Asset must meet all requirements as stipulated in the Bappebti Regulation.<sup>7</sup> In the event that people who have made Crypto Asset transactions intend to withdraw funds, then it must be verified first by the Futures Clearing Agency (Lembaga Kliring Berjangka) and such funds must use Rupiah.8 Even though Bitcoin has been determined as a tradable Crypto Asset, this does mean that Bitcoin can be used as a means of payment.

In the end, not accepting Bitcoin as a legitimate means of payment is justified from both a legal and practical standpoint. In principle, laws and regulations and recommendation issued by the Government are aimed at protecting the interests of the State and Indonesian citizens themselves. **DRP/SCN/HES** 

<sup>4. &</sup>quot;https://www.cnnindonesia.com/ekonomi/20180113093443-78-268599/bi-larang-jual-beli bitcoin," diakses pada 26 Februari 2021.

<sup>5. &</sup>quot;https://money.kompas.com/read/2020/03/12/130800326/bappebti-tegaskan-mata-uang-kripto-bukan-alat-transaksi-pembayaran," diakses pada 2 Maret 2021.

<sup>6.</sup> Pasal 1 angka 7 Peraturan Bappebti.

<sup>7.</sup> Pasal 3 Peraturan Bappebti.

<sup>8.</sup> Pasal 17 ayat (3) jo. ayat (4) Peraturan Bappebti.

## PERMENKOMINFO 1/2021: NEW CHAPTER IN THE ORGANIZATION OF TELECOMMUNICATION SERVICES



he Minister of Communication and Informatics (MoCI) issued Regulation Number 1 of 2021 concerning the Second Amendment of MoCI Regulation Number 13 of 2019 on Organization of Telecommunication Services (MoCI Regulation 1/2021) that has been in force since 28 January 2021. MoCI 1/2021 was enacted to provide ease of business for Telecommunication Service Operators.

Based on Minister of Communication and Informatics Number 13 of 2019 concerning Organization of Telecommunication Services (MoCI Regulation 13/2019), telecommunication services organization is divided into three categories, 1 namely: (1) Organization of Basic Telephony Services,<sup>2</sup> (2) Organization of Value-Added Telephony Services,<sup>3</sup> and (3) Organization of Multimedia Services.4 However, due to the enactment of MoCI 1/2021, the Director-General of Post and Informatics (Director-General) is now authorized to establish other categories of Telecommunication Services Organization based on the development of information technology and communication as well as the soundness of the telecommunications industry.5

In relation to Basic Telephony Services, under the MoCI 1/2021, circuit-switch-based local permanent network operators are now required to prioritize free SMS Blast that are sent by the Director General for important information, for instance concerning state security, natural disasters, and/or epidemics provided by ministries and/or government agencies or by other parties as determined by the MoCI.<sup>6</sup>

Moreover, MoCI Regulation 1/2021 also broaden the scope of the Organization of Value-Added Telephony Services by including Premium Call Services, Premium SMS-Content Services, and/or other Value-Added Telephony Services as established by the Director-General.<sup>7</sup> This provision differs from MoCI 13/2019 as both Premium Call Services and Premium SMS were previously combined into one category, i.e., Content Services.<sup>8</sup>

MoCI Regulation 1/2021 also governs that Premium Call Services Operators are required to implement several obligations as follows:<sup>9</sup>

 a. provide Telecommunication Device and/ or Equipment that are required to organize Premium Call Services:

- 1. Article 3 MoCl Regulation 13/2019.
- 2. Organization of Telecommunication Services which provides basic telephony services by utilizing circuit-switched technology or other technologies.
- ${\it 3.} \quad {\it Organization of Telecommunication Services which provides value-added services for basic telephony services.}$
- 4. Organization of Telecommunication Services which provides information technology-based services other than the Organization of Basic Telephony Services and the Organization of Value-Added Telephony Services.
- 5. Article 3 paragraph (3) MoCl Regulation 1/2021.
- 6. Article 5A MoCI Regulation 1/2021.
- 7. Article 6 MoCI Regulation 1/2021.
- 8. Article 27 paragraph (1) MoCI Regulation 13/2019.
- 9. Article 26A MoCl Regulation 1/2021.

### **IN-DEPTH LOOK**

- enter into cooperation agreement with Telecommunication Service Operators that provides Basic Telephony Services; and
- c. fulfill the Commitment of Premium Call Service Operators to maintain certain service capacities such as: (i) in the first year of operation to have minimum of equal to 1 (one) E1 or equal to 30 (thirty) Phone Connection Unit (Satuan Sambungan Telepon/SST) and (ii) in the second year and onwards to increase service capacity.

Meanwhile Premium SMS Service Operators are required to implement the following obligations:<sup>10</sup>

- a. provide Telecommunication Device and/or Equipment that are required to organize Content Services;
- b. guarantee that all of Independent Content Providers that contribute to Content Services Organization have complied with the relevant laws and regulations;
- c. enter into cooperation agreements, in the event that the Premium SMS-Content Service Operators are distributing Content from Foreign Independent Content Providers;
- d. enter into cooperation agreements with Telecommunication Service Operators that provide Basic Telephony Services; and
- e. fulfill Commitment of Premium SMS-Content
  Service Operators concerning cooperation
  agreements with Independent Content Providers
  as follows: (i) in the first year of operation to at least
  conclude 2 (two) cooperation agreements; and
  (ii) in the second year of operation and onwards
  the operators are required to conclude more
  cooperation agreements to ensure that by the end
  of the fifth year they have concluded minimum 7
  (seven) cooperation agreements in total.

Further, the MoCI Regulation 1/2021 also added new obligations that must be fulfilled by operators of telephony internet service for public interest ("ITKP Service Operators") on the prevention and termination of fraud and/or masking and to also manage fraud complaints.<sup>11</sup> This regulation also provides an opportunity for ITKP Service Operators to distribute internet-protocol-based incoming calls from overseas by fulfilling several obligations, such as to guarantee that their global partners are legitimate call-transmitters, have the abilitye to track

calls, and have full responsibility over incoming calls from overseas.<sup>13</sup> ITKP Service Operators that provide such services must also submit a letter which states that they have fulfilled all of their obligations set out in this regulation and a report on their global partners list to the Director-General.<sup>14</sup>

MoCI Regulation 1/2021 also stipulates that MoCI, through the Director-General, is now authorized to monitor and evaluate the service quality and/or products offered by telecommunication service operators. <sup>15</sup> Based on this provision, Telecommunication Service Operators are obliged to provide access by connecting their telecommunications service organization equipment to monitoring systems established by MoCI. <sup>16</sup> The result of such monitoring and evaluation will be announced to the public with due regard to the overall stability of the telecommunication industry. <sup>17</sup>

MoCI Regulation 1/2021 applies to Telecommunication Service Operators that have obtained Telecommunication Service Operator Permits issued prior to the enactment of MoCI Regulation 1/2021 and therefore must comply to the provisions set forth under this regulation no later than 31 December 2021.<sup>18</sup> SPA/MAD/HES



- 10. Article 27 MoCl Regulation 1/2021.
- 11. Article 26 paragraph (1)(c) MoCl Regulation 1/2021.
- 12. Article 26 paragraph (2) MoCI Regulation 1/2021.
- 13. Article 26 paragraph (3) MoCl Regulation 1/2021.
- 14. Article 26 paragraph (4) and (5) MoCl Regulation 1/2021.
- 15. Article 46 paragraph (3)(c) MoCl Regulation 1/2021.
- 16. Article 46 paragraph (5) MoCI Regulation 1/2021.
- 17. Article 46 paragraph (8) MoCl Regulation 1/2021.
- 18. Article 57 MoCl Regulation 1/2021.



## CYBERCRIME CASES DURING COVID-19 PANDEMIC

ndonesia is transitioning into the "New Normal", with most businesses still applying work from home systems until the Covid-19 (Corona Virus) situation is better controlled. Working from home has resulted in employees relying heavily on the use of electronic devices. This has increased the likelihood of cybercrime occurring in the business community.

In this section, we are going to answer several questions regarding cybercrime cases in Indonesia during Covid-19 pandemic.

## How many cybercrime cases were reported to the Police in the period of 2020?

The Number of cybercrime cases received by Directorate of Cyber Crime of National Police Criminal Investigation Department (Bareskrim Polri) in the period January 2020 to December 2020 is 2,259 cases, the figures obtained from a survey made by the official website owned by the Directorate of Cyber Crime of Bareskrim Polri called patrolisiber.id¹ and databoks.katadata.co.id.²

The statistics provided by patrolisiber.id and databoks. katadata.co.id show that out of 2,259 cybercrime cases, most involved the dissemination of provocative content. For your reference, we list below figures according to the classification of offence reported by complainants in the period of 2020.

No.	Types of Offence	Amount of Report
01	Dissemination of provocative content	1.048
02	Online Fraud	649
03	Pornography	208
04	Illegal Access	138
05	Data Manipulation	71
06	Data/Identity Theft	39
07	Gambling	32
08	Illegal Interception	24
09	Blackmail	19
10	Hacking of Electronic System	18
11	Website Defacement	9
12	System Disruption	4

<sup>1.</sup> https://patrolisiber.id/statistic, accessed on 22 March 2021

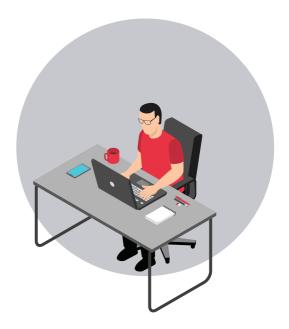
<sup>2.</sup> https://databoks.katadata.co.id/datapublish/2020/09/08/daftar-kejahatan-siber-yang-paling-banyak-dilaporkan-ke-polisi, accessed on 22 March 2021

## What are the programs enforced by the police in response to the cybercrime cases in Indonesia?

On 19 February 2021, the Chief of the National Police Force of Republic of Indonesia issued Chief of Police Force Circular Letter Number: SE/2/11/2021 on Ethical Cultural Awareness to Realize Clean, Healthy, and Productive Indonesian Digital Space (SE Kapolri 2/2021). The issuance of SE Kapolri 2/2021 provides guidelines to investigators on the handling cybercrime cases.

SE Kapolri 2/2021 sets out list of practices and principles when dealing with cybercrimes and include:

- 1. to follow the trends in digital space utilization which continue to develop with all its problems;
- understand the culture in the digital space by collecting various problems and its impact on society;
- prioritize preemptive and preventive efforts through virtual police and virtual alerts aimed at monitoring, educating, warning and mitigating undesirable effects on the community from potential cybercrime;
- 4. in receiving reports from the complainant, the investigator should be able to clearly distinguish between criticism, input, hoaxes, and defamation that can be criminalized to further determine future conduct of the case;
- upon receiving a report, the investigator should communicate with the parties involved, especially the victim (not represented) and facilitate mediation between the disputed parties;
- conduct a comprehensive case expose with the involvement of Bareskrim Polri or the Directorate of Cyber Crime Bareskrim Polri (through zoom meetings) and to make decisions collectively based on existing facts and data;
- 7. Investigators should view criminal and penal laws as a last resort in law enforcement (ultimatum remedium) and prioritize restorative justice to solve the case;



- parties involved and/or their victims should ensure parties proceed in a peaceful manner to implement restorative justice, except for cases that cause division, racial unrest and separatist cases;
- 9. in the event that the victim insists on his/her case be brought to court, and where the suspect has already apologized, the suspect should not be detained and prior to the submission of case dossier to the prosecutor, the investigator must pursue another attempt at mediation;
- 10 The investigator shall also coordinate with the prosecutor, including giving advice to the implementation of mediation at the prosecution level;
- 11. to supervise every step of the investigation taken and base his conduct on the investigator's leader's evaluation including considering the rewards and punishments in each case.

## What can a complainant do if they consider that their case is not showing any progress?

The complainant may submit a request Letter of Inquiry Progress (SP2HP) as regulated under Article 10 paragraph (5) to the Head of the National Police of the Republic of Indonesia Regulation Number 6 of 2019 on Criminal Investigation in conjunction with Article 11 paragraph (1) Head of the National Police of the Republic of Indonesia Regulation Number 21 of 2011 on Information Systems Investigation. YAN/MAD/HES



# TELECOMMUNICATION SERVICE OPERATION BUSINESS FIELD LICENSING

elecommunication services is a business sector that has an important role, because it is necessary to support the sustainability of various other business fields. Based on these considerations, the Government, in this case the Minister of Communication and Information Technology (Kominfo), strives to realize efficiency and effectiveness as well as ease of doing business in the telecommunications sector by issuing Regulation of the Minister of Communication and Informatics Number 13 of 2019 concerning the Operation of Telecommunications Services (Permenkominfo 13/2019).

Permenkominfo 13/2019 provides that the Operation of Telecommunications Services is the activity of providing services for Telecommunications and which enables the operation of Telecommunications.<sup>1</sup> In this case, the Telecommunication Network

Provider can be either a state-owned company, regional-owned business entity, private business entity, or cooperative that has obtained a Telecommunication Network Operation License.<sup>2</sup>

It should be noted, there are several requirements to obtain a Telecommunication Service Operation Permit and are as follows:<sup>3</sup>

- 1. Company Establishment Deed;
- 2. Changes to the latest Company Deed;
- 3. Ratification of the Company Establishment Deed (Kemenkumham);
- Ratification/Acceptance of Company Deed Amendment Letter (Kemenkumham);
- 5. RPTKA (Plan for the Use of Foreign Workers);
- 6. IMTA (Permit to Employ Foreign Workers);
- KITAS/KITAP (Temporary/Permanent Stay Permit Card);

<sup>1.</sup> Article 1 number 5, Permenkominfo 13/2019

<sup>2.</sup> Article 2, Permenkominfo 13/2019

<sup>3.</sup> SOP for Licensing of the Ministry of Communication and Information Technology



- 8. Copy of Taxpayer Identification Number (NPWP);
- Copy of Trading Business Permit (SIUP) or Permanent Business Permit (IUT);
- 10. Company Domicile Letter;
- 11. Statement of No Taxes Payable;
- 12. Statement of Fund Ownership from the Bank;
- 13. Copy of Evidence of Content Provider Service Provider Registration;
- 14. Application Form;
- 15. Form Attachments (Technical Aspects);
- 16. Attachment Form (Financial Aspect);
- 17. Form Attachment (Marketing Aspect);
- Application Letter for Determination of Short Code for Multimedia Service Provider Content Provider Services;
- 19. Statement Letter;
- 20. Statement/Report on the Composition of Share Ownership;
- 21. Statement of not changing the Shareholding Composition of Principle License;
- 22. Statement of not changing the Share Ownership Composition after obtaining an Operating License before fulfilling the 50% commitment;

- 23. Statement of Affiliation Relations (at the level of Managing Director);
- 24. Integrity Pact;

To obtain a Telecommunication Service Operation License, a Telecommunication Service Provider is required to obtain a Telecommunication Service Operation License from the Minister of Communication and Informatics.<sup>4</sup> The application for the Telecommunication Service Operation License must be submitted through the Online Single Submission ("OSS").<sup>5</sup> After applying for a license through OSS, the intended Licensee must carry out an Operation Acceptance Test, namely a technical and operational system test,<sup>6</sup> which is carried out independently by the intended Licensee in order to fulfill the Commitment Statement of the Telecommunication Service Operation License.<sup>7</sup>

If necessary, the Operational Acceptance Test may be carried out by means of a sampling method carried out by the business and the Ministry of Communication and Information Technology based on the Applicant's request.8 Submission of an independent assessment of the Operational Acceptability Test and application for a sampling by the business is carried out no later than 15 (fifteen) working days before the end of the period for fulfillment of the commitment statement.9 Furthermore, the Ministry of Communication and Information Technology will conduct field verification of the Operational Acceptance Test conducted by business and the Directorate General of Post and Information Technology Administration (Directorate General of Post and Information Technology) will issue an Operation Acceptable Certificate for applicants who meet the requirements.<sup>10</sup>

If the said field verification test indicates a mismatch between the parameters and procedures for the Operation Acceptability Test and the requirements, administrative sanctions may be imposed on the business.<sup>11</sup> FDH/KBA/HES

<sup>4.</sup> Article 35 paragraph (1), Permenkominfo 13/2019

<sup>5.</sup> Article 35 paragraph (2), Permenkominfo 13/2019

<sup>6.</sup> Article 1 number 23, Permenkominfo 13/2019

<sup>7.</sup> Article 36 paragraph (1) letter a and Article 36 paragraph (2), Permenkominfo 13/2019

<sup>8.</sup> Article 36 paragraph (3), Permenkominfo 13/2019

<sup>9.</sup> Article 36 paragraph (5), Permenkominfo 13/2019

<sup>10.</sup> Article 36 paragraph (6) and (7), Permenkominfo 13/2019

<sup>11.</sup> Article 36 paragraph (9), Permenkominfo 13/2019



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