



# ENSURING BUSINESS CONTINUITY

IN THE MIDST OF C-19  
PANDEMY IN INDONESIA





FAJ Consulting



COVID-19 REGULATORY UPDATE

RECOMMENDATION - CORPORATION

LABOUR REGULATION

Government has enacted several regulations to support business continuity due to Covid-19 outbreak:

Topics: Economy, Incentives, and Taxes.

### Regulations:

- ❑ MOF Regulation No.19/PMK.07/2020. Description: the Use of Profit-Sharing Funds, General Allocation Funds, and Regional Incentives Funds.
- ❑ POJK No.11/POJK.03/2020. Description: National Economic Stimulus as a Countercyclical Policy to Respond to the Spread of Covid-19 Disease.
- ❑ MOF Regulation No.23/PMK.03/2020. Description: Tax Incentives for Industries who are affected by the Covid-19.
- ❑ POJK No.12/POJK.03/2020. Description: Consolidation of Commercial Banks aims to prevent a potential decline in the banking sector by strengthening the structure of bank ownership and increasing the minimum capital limit for banks as well as the minimum threshold for Capital Equivalency Maintained.
- ❑ Government Regulation in Lieu of Law No.1 of 2020. Description: State Financial Policy and Financial System Stability to Combat the Pandemic of Covid-19 .

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**Capital Market:**

- ❑ IDX's Board of Directors Decree No.KEP-00024/BEI/03-2020. Description: Guidelines in Handling Trade Continuity on the IDX During Emergency.
- ❑ IDX's Board of Directors Decree No.KEP-00025/BEI/03-2020. Description: New limits for auto rejection applicable to the stock trading on the IDX.

**Construction:**

- ❑ Minister of PUPR Regulations No.02/IN/M/2020. Description: Prevention Protocol of Covid-19 in Implementation of Construction Services.

**Logistics and Transportation:**

- ❑ Government Regulation No.21 of 2020. Description: Large-Scale Restriction to Accelerate the Handling of Covid-19.
- ❑ MOH Regulation No.09 of 2020. Description: Guidelines for implementation of the Large-Scale Social Restriction Policy.
- ❑ BPTJ Regulation No.SE.5.BPTJ of 2020. Description: Limitations of the Use of Transportation Mode to Reduce Movement of People from and to the Region of Jakarta, Bogor, Depok, Tangerang, and Bekasi during Covid-19 disease.

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**Industry:**

- ❑ MOI's circular letter No.B/312/M-IND/IND/IV/2020. Description: Implementations of Industrial Activities in the Emergency Response of Covid-19 Pandemic.
- ❑ MOI's circular letter No.B/313/M-IND/IND/IV/2020. Description: Supporting Implementation of Industrial Business Activities in the Region.
- ❑ MOI's circular letter No.4 of 2020. Description; Standard Operational Procedure for Factories during the Covid-19 Pandemic.
- ❑ MOI's circular letter No.7 of 2020. Description: Guidelines for Submitting Applications for Licenses for the Implementation of Industrial Activities during Covid-19.

**Healthcare & Medical Devices Supply:**

- ❑ MOT Regulation 23/2020. Description: Temporary Prohibition of Export of Antiseptics, Mask Raw Materials, Personal Protective Equipment, and Masks.
- ❑ Presidential Decree No.11 of 2020. Description: Determination of Public Health Emergency of Covid-19.

**Labor:**

- ❑ MoM's Circular Letter No.M/3/HL.01/III/2020. Description: Employee Protection and Business Continuity and Control of Covid-19.

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**Lending and/or Financing.**

OJK needs to oblige the bank to implement this lending and/or financing policy and specify in detail the criteria for companies or SME's which are eligible to receive loans and/or financing from banks.

**Grants in the Form of Direct Cash Assistance.**

Government shall allocate national funds for grants in the form of direct cash assistance to small companies who have incurred losses due to Covid-19 outbreak and specify in detail the criteria of small companies who are eligible to receive direct cash assistance.

**Implementing of Tax Relaxation Policy.**

Government shall enact the implementing regulation of PERPU 1/2020. Grant tax exemption shall be applied to grant recipient companies and tax deductible shall be applied to grant giving companies.

❑ **Limitation of Indonesian Airports and Ports Operational Activities.**

Government shall stipulate that airports and ports located in the PSBB area to remain open and operate to ensure the availability of basic needs and health needs, while taking into account local and international provisions.

❑ **Free Internet.**

Government shall propose the use of Universal Service Obligation and/or other non-tax revenue as compensation for telecommunication operators who are required to provide free internet services for public services and the operation of critical infrastructure.

❑ **Responsive and Reachable Consultation and Licensing Services.**

Ministries and other government agencies shall implement the same policy, which is to provide services via telephone, chat applications, and other online social media with adequate quality and quantity of resources. Government shall establish one-stop services platform for licensing services related to hospitals and health services as well as licensing related to import and distribution of medical devices in relation to Covid-19.

March 17, 2020

The Minister of Manpower in Indonesia has issued a Circular Letter No.M/3/HK.04/III/2020 on Employee Protection and Business Continuity in the Context of Prevention and Control of Covid-19, to promote employees and to promote business continuity in the midst of the C-19 pandemic.

Instructed the Governors in Indonesia to:

- i. implement measures to prevent and manage matters related to Covid-19 on the work environment; and
- ii. ensure the continuity of salary payment for the employees who have been infected with Covid-19 in their respective provinces of Indonesia.

LABOUR REGULATION

COVID-19 REGULATORY UPDATE

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This Circular Letter is addressed to all governors in Indonesia implement this letter locally through the local regents and myors requiring companies within their jurisdiction to comply with this Circular Letter.

The requirements stipulated in the Circular Letter is as follows:

- ❑ To conduct all means to prevent and minimise disease contamination within the workplace.
- ❑ In order to minimise the outbreak risk within the workplace, every company is requested to provide guidance and supervision relating to the implementation of Occupational Safety and Health (Keselamatan dan Kesehatan Kerja). The guidance shall include an efforts in preventing C-19 in the workplace by promoting healthy and clean behavior, empower the advisory committee and to optimise all of work health care service.
- ❑ Further, any case or suspected cases of C-19 in the workplace must be listed and reported to the relevant agencies and every suspected employee or employees who are experiencing illness due to C-19 must be treated in accordance with policies issued by the Ministry of Health.

LABOUR REGULATION

COVID-19 REGULATORY UPDATE

RECOMMENDATION - CORPORATION

### ❑ Salary policies due to C-19 outbreak.

Every company must still pay the employee's salary in full for any employees who are infected by, suspected to have, isolated or under monitoring of C-19, which cause them not be able to work. This must be based on a doctor's letter.

### ❑ Ensuring business continuity to adjust employee's salary.

In the event a company has to limit its business operations due to government policies for the prevention and control of C-19 in their respective business regions, the company is allowed to adjust or reduce the employee's salary and change the salary payment method based on the work agreement between the employer and employee or company regulations.

LABOUR REGULATION

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- ❑ **Elements to determine Force Majeure:**
  - a. Article 1244 and Article 1245 Civil Code: unforeseeable event and uncontrollable circumstances of the parties.
  - b. Law No.18 Year 1999 regarding Construction Services: beyond the will and power (uncontrollable).
- ❑ Since the Indonesian Government has issued regulation with respect to the implication of Covid-19 pandemic as an event of public health emergency, any private contractual relationships in Indonesia fits to “force majeure”, including but not limited to the employment contractual matters.
- ❑ Force Majeure event may provide relaxation on labor related matters, for instance postponing the payment of holiday allowance (THR) subject to the consent of the Employee.
- ❑ The holder of Stay Permit (Izin Tinggal Kunjungan) or Limited Stay Permit (Izin Tinggal Terbatas) will be automatically granted a Force Stay Permit (Izin Tinggal Keadaan Terpaksa) in accordance with MoLHR No.11/2020.

## FORCE MAJEURE – LABOR

### COVID-19 REGULATORY UPDATE

### RECOMMENDATION - CORPORATION

### LABOUR REGULATION

# LARGE-SCALE

# SOCIAL RESTRICTION

## DUE TO COVID-19

- ❑ Government Regulation No.21 of 2020 Regarding Restriction in Acceleration of Covid-19 Handling (effective March 31st, 2020).
- ❑ Regulation of the Government of Capital Special Region of Jakarta No.33 of 2020 Regarding Implementation of Large-Scale Social Restrictions (PSBB) in Handling Covid-19.

# 1

## PUBLIC PLACES AND FACILITIES

- Public facilities and amusements are close.
- Supermarkets, mini-markets, markets, shops, laundry are open.

# 2

## WORKING PLACE

- Working places are close (work-from-home).
- Health service, food & beverage, energy, communication, strategic industry, logistics distribution, hotel and daily needs are open.

# 3

## SOCIAL, AND CULTURE

- Political, sports, entertainment, academic, and cultural meeting or gathering are canceled.

# 4

## PUBLIC TRANSPORTATION

- Maximum passenger are 50% with operational hours from 6.00 am to 18.00 pm.

END  
JUNE

What can companies do if the Covid-19 outbreak ends on early June?

BEYOND  
JUNE

What can companies do if the Covid-19 still continue to spread after June?

OUT  
BREAK  
END

What is the company's recovery plan after Covid-19 outbreak ends?

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ACCORDING TO OECD, THIS VIRUS PRESENTS  
THE “HIGHEST THREAT TO GLOBAL ECONOMY  
SINCE THE FINANCIAL CRISIS OF 2007-2008”

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TO A NEW GLOBAL  
RECESSION**

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