

WORLD TRADE ORGANIZATION

S/C/N/81
18 November 1998

(98-4716)

Council for Trade in Services

Original: English

NOTIFICATION PURSUANT TO ARTICLE III:3 OF THE GENERAL AGREEMENT ON TRADE IN SERVICES

The attached notification on regulations dating from 1998 has been submitted to the Council for Trade in Services by Indonesia pursuant to its obligations under paragraph 3 of Article III of the GATS.

1. Member Notifying:

Indonesia

2. Notification under:

GATS Article III, paragraph 3 (Transparency)

3. Date of entry into force

2 February 1998

Duration:

Indefinite

4. Agency responsible for enforcement of the measure:

Bank Indonesia

5. Description of the measure:

Measure:

Decree of the Board of Managing Directors of Bank Indonesia No. 30/191A/KEP/DIR dated 2 February 1998 concerning Exportation or Importation of Rupiah Currency from or into Republic of Indonesia Jurisdiction.

Description:

- Application of permission to bring Rupiah currency out or bring Rupiah currency into Republic of Indonesia Jurisdiction that exceed RP 10.000.000,- (ten million Rupiah).

Application shall be submitted to the Managing Director of Bank Indonesia att. the head of Foreign Department of Bank Indonesia.

- Application as mentioned above shall state clearly the total number of bank notes and or coins, denominations, year of print and purpose of use.

6. Members specifically affected:

None

7. Text available from:

Bank Indonesia attn: Enquiry Point
Biro Hukum
Jl. M.H. Thamrin No. 2
Jakarta 10010

Fax: 62 21 380 14 30
email: enquirypoint@bi.go.id

1. Member Notifying:

Indonesia

2. Notification under:

GATS Article III, paragraph 3 (Transparency)

3. Date of entry into force

27 February 1998

Duration:

Indefinite

4. Agency responsible for enforcement of the measure:

Bank Indonesia

5. Description of the measure:

Measure:

Decree of the Board of Managing Directors of Bank Indonesia No. 30/266/KEP/DIR dated 27 February 1998 concerning the Implementation of Prudential Principles Relating to Interbank Liabilities, Taking Over of Claims, Deposits Rates and Provision of Funds.

Description:

1. Banks shall be required to observe prudential principles and fulfil the restriction stipulated, upon the receipt of interbank liabilities from other banks. The amount of interbank liabilities at any time shall not be higher than 100 per cent of its core capital of banks.
2. Banks may take over claims of non-resident creditors to local debtors.
3. The bank deposit rate shall not exceed 125 per cent of the SBI rate.
4. A bank may provide its provision funds at growth pursuant to Bank Indonesia Regulation.

6. Members specifically affected:

None

7. Text available from:

Bank Indonesia attn: Enquiry Point Team
Legal Bureau
Jl. M.H. Thamrin No. 2
Jakarta 10010

Fax: 62 21 380 14 30
email: enquirypoint@bi.go.id

1. Member Notifying:

Indonesia

2. Notification under:

GATS Article III, paragraph 3 (Transparency)

3. Date of entry into force

31 March 1998

Duration:

Indefinite

4. Agency responsible for enforcement of the measure:

Bank Indonesia

5. Description of the measure:

Measure:

Decree of the Board of Managing Directors of Bank Indonesia No. 30/267/KEP/DIR dated 27 February 1998 concerning the quality of productive assets.

Description:

1. The quality of productive assets of banks shall be evaluated on the following basis:
 - a. the punctuality of principal debts and interest repayment;
 - b. the expectation for the return of funds invested in negotiable papers.
2. The credit quality shall be classified as follows:
 - a. Pass;
 - b. Special mention;
 - c. Substandard;
 - d. Doubtful;
 - e. Loss.
3. The quality of negotiable papers shall be classified as follows:
 - a. Pass;
 - b. Loss.

6. Members specifically affected:

None

7. Text available from:

Bank Indonesia attn: Enquiry Point Team
Legal Bureau
Jl. M.H. Thamrin No. 2
Jakarta 10010

Fax: 62 21 380 14 30
email: enquirypoint@bi.go.id

1. Member Notifying:

Indonesia

2. Notification under:

GATS Article III, paragraph 3 (Transparency)

3. Date of entry into force

27 February 1998

Duration:

Indefinite

4. Agency responsible for enforcement of the measure:

Bank Indonesia

5. Description of the measure:

Measure:

Bank Indonesia Decree No. 30/268/KEP/DIR dated 27 February 1998 concerning Allowance for Earning Assets Losses.

Description:

A Bank shall form adequate allowance for loss of earning assets in order to cover the risk of possible losses. The amount of allowance referred to shall consist of the following:

- a. General allowance for at least 1 per cent of the total assets;
- b. Special allowance for at least:
 - 1) 5 per cent of credits classified as special mention; and
 - 2) 15 per cent of credits classified as substandard; and
 - 3) 50 per cent of credits classified as doubtful; and
 - 4) 100 per cent of credits classified as loss.

Respectively after deduction for the value of cash collateral.

- c. Special allowance for 100 per cent of all negotiable paper classified as loss.

6. Members specifically affected:

None

7. Text available from:

Bank Indonesia attn: Enquiry Point Team
Legal Bureau
Jl. M.H. Thamrin No. 2
Jakarta 10010

Fax: 62 21 380 14 30
email: enquirypoint@bi.go.id

1. Member Notifying:

Indonesia

2. Notification under:

GATS Article III, paragraph 3 (Transparency)

3. Date of entry into force

6 March 1998

Duration:

Indefinite

4. Agency responsible for enforcement of the measure:

Bank Indonesia

5. Description of the measure:

Measure:

Bank Indonesia Decree No. 30/271/KEP/DIR dated 6 March 1998 concerning Discount Facilities, Sanctions on the Infringements of Reserve Requirement and Sanctions on Negative Balance of Bank's Current Account in Bank Indonesia.

Description:

- Banks that are experiencing liquidity shortage may request discount facilities to Bank Indonesia. Bank Indonesia's discount facility may be used to cover banks' reserve requirements or to anticipate and to prevent banks' negative balance in Bank Indonesia.
- Infringement in respect of Rupiah Reserve Requirement shall be liable to sanctions comprising:
 - a. a penalty of 150 per cent from Jakarta Interbank Offered Rate (JIBOR) overnight for each violation; or
 - b. a penalty of 200 per cent from JIBOR overnight for each violation occurring after 7 working days successively;
 - c. a penalty of 400 per cent from JIBOR overnight for each violation occurring after 14 days successively.
- The bank shall meet settlement of its negative balance before the next submission clearing day.
- Should the bank fail to settle its negative balance, the bank concerned may be prohibited from participating in the clearing activities.

- The unsettled negative balance will be charged an interest of 500 per cent of JIBOR overnight.

6. Members specifically affected:

None

7. Text available from:

Bank Indonesia attn: Enquiry Point Team
Legal Bureau
Jl. M.H. Thamrin No. 2
Jakarta 10010

Fax: 62 21 380 14 30
email: enquirypoint@bi.go.id

1. Member Notifying:

Indonesia

2. Notification under:

GATS Article III, paragraph 3 (Transparency)

3. Date of entry into force

2 February 1998

Duration:

Indefinite

4. Agency responsible for enforcement of the measure:

Bank Indonesia

5. Description of the measure:

Measure:

Government Regulation No. 18 of 1998 concerning Exportation and Importation of Rupiah Currency from or to the Territory of the Republic of Indonesia.

Description:

- Anyone may export from or import to the territory of The Republic of Indonesia Rupiah Currency to the maximum of RP 5.000.000,00 (five million rupiah).
- Anyone who export from or import to the territory of The Republic of Indonesia Rupiah Currency of more than RP 5.000.000,00 (five million rupiah) is required to fill in a form issued by Bank Indonesia.
- Anyone who export from or import to the territory of The Republic of Indonesia Rupiah Currency of more than RP. 10.000.000,00 (ten million rupiah) is required to have an approval from Bank Indonesia.
- Violation of these provisions will be sanctioned by administration.

6. Members specifically affected:

None

7. Text available from:

Bank Indonesia attn: Enquiry Point Team
Legal Bureau
Jl. M.H. Thamrin No. 2
Jakarta 10010

Fax: 62 21 380 14 30
email: enquirypoint@bi.go.id

1. Member Notifying:

Indonesia

2. Notification under:

GATS Article III, paragraph 3 (Transparency)

3. Date of entry into force

21 January 1998

Duration:

Indefinite

4. Agency responsible for enforcement of the measure:

Bank Indonesia

5. Description of the measure:

Measure:

Decree of the Minister of Finance No. 15/KMK.017/1998 dated 21 January 1998; concerning Amendment to the Decree of the Minister of Finance No. 220/KMK.017/1993 on Commercial Banks.

Description:

- In carrying out their business activities, commercial banks with the status of joint venture banks shall be allowed to provide banking services for customers in Indonesia.
- Lifting the restriction on the establishment of branch offices of joint venture banks and sub branch offices of foreign bank branches. (Formerly, branch offices of joint banks and sub-branch offices of foreign bank branches might only be established in the cities of Jakarta, Surabaya, Semarang, Bandung, Medan, Ujung Pandang, Denpasar and Batam Island).

6. Members specifically affected:

None

7. Text available from:

Bank Indonesia attn: Enquiry Point Team
Legal Bureau
Jl. M.H. Thamrin No. 2
Jakarta 10010

Fax: 62 21 380 14 30
email: enquiry@bi.go.id

1. Member Notifying:

Indonesia

2. Notification under:

GATS Article III, paragraph 3 (Transparency)

3. Date of entry into force

27 February 1998

Duration:

Indefinite

4. Agency responsible for enforcement of the measure:

Ministry of Finance

5. Description of the measure:

Measure:

Decree of the Minister of Finance No. 130/KMK.04/1998 dated 27 February 1998 concerning Write Off of Bad Debts Deductible as Costs.

Description:

- Bad debts arising from business activities of banks, finance companies, industry, trade and other services can be deducted as costs in calculating taxable income. Bad debts which can be written off shall be business debts according to the business lines of the taxpayers concerned.

6. Members specifically affected:

None

7. Text available from:

Bank Indonesia attn: Enquiry Point Team
Legal Bureau
Jl. M.H. Thamrin No. 2
Jakarta 10010

Fax: 62 21 380 14 30
email: enquirypoint@bi.go.id

1. Member Notifying:

Indonesia

2. Notification under:

GATS Article III, paragraph 3 (Transparency)

3. Date of entry into force

26 January 1998

Duration:

Indefinite

4. Agency responsible for enforcement of the measure:

Ministry of Finance, Bank Indonesia and Indonesia Restructuring Agency

5. Description of the measure:

Measure:

Presidential Decree No. 26 of 1998, dated 26 January 1998 concerning Guarantee on Commercial Banks' Payment Obligation.

Description:

The Government of Indonesia guarantees national commercial banks' payment obligation toward depositors and creditors. The Government's guarantee covered both Rupiah and Foreign Exchange obligation.

6. Members specifically affected:

None

7. Text available from:

Bank Indonesia attn: Enquiry Point Team
Legal Bureau
Jl. M.H. Thamrin No. 2
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