

WORLD TRADE ORGANIZATION

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Trade in Services

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INDONESIA

Draft consolidated Schedule of Specific Commitments¹

Attached is a draft consolidated version of the Schedule of Specific Commitments of Indonesia in word format. This document does not substitute for the legally binding commitments undertaken by Indonesia in its Schedule of Specific Commitments (GATS/SC/43; GATS/SC/43/Suppl.2; GATS/SC/43/Suppl.3).

Attached to the draft consolidated schedule is Indonesia's draft consolidated Article II (MFN) Exemption List (GATS/EL/43; GATS/EL/43/Suppl.1) in word format.

The draft consolidated versions of the Schedule and the MFN Exemption List were prepared by the Secretariat, at the request of Members, to facilitate the process of negotiations, including the presentation of initial offers.

¹ This document has been prepared, in English only, under the Secretariat's own responsibility and without prejudice to the positions of Members and to their rights and obligations under the WTO.

INDONESIA – SCHEDULE OF SPECIFIC COMMITMENTS

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
I. HORIZONTAL COMMITMENTS			
ALL SECTORS INCLUDED IN THIS SCHEDULE	<p>1),2)As specified in each sector</p> <p>3) Commercial Presence of the foreign service provider(s) may be in the form of joint venture and/or representative office, unless mentioned otherwise.</p> <p>Joint venture should meet the following requirements:</p> <p>(i) should be in the form of Limited Liability Enterprise (Perseroan Terbatas/PT),</p> <p>(ii) not more than 49% of the capital share of the Limited Liability Enterprise (Perseroan Terbatas/PT), may be owned by foreign partner(s).</p>	<p>1),2)As specified in each sector</p> <p>3) The Income Tax Law provides that non-resident taxpayers will be subject to withholding tax of 20% if they derive the following income from Indonesian source:</p> <p>(a) interest</p> <p>(b) royalties</p> <p>(c) dividend</p> <p>(d) fee from service performed in Indonesia</p> <p>Land Acquisition</p> <p>Undang-Undang Pokok Agraria (Land Law) No. 5 of 1960 stipulates that no foreigners (juridical and natural persons) are allowed to own land. However, a joint venture enterprise could hold the right for land use (Hak Guna Usaha) and building rights (Hak Guna Bangunan), and they may rent/lease land and property.</p> <p>Any juridical and natural persons should meet professional qualification requirements.</p>	

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
	4) Subject to Indonesian Labour and Immigration Laws and Regulations, only directors, managers and technical experts/advisors, unless mentioned otherwise, are allowed with a maximum stay of two years subject to one year extension. Manager and technical experts (intra corporate transfer) are allowed based on an economic needs test.	4) Expatriate Charges Any foreign natural persons supplying services are subject to charges levied by National, Provincial and Municipal Governments. Labour Laws and Regulations. Any expatriate employed by a joint-venture enterprise, representatives office, and/or other types of juridical person and/or an individual services provider must hold a valid working permit issued by the Ministry of Manpower. Immigration Laws and Regulations. Any expatriate must meet immigration requirements and procedures to enter the territory of the Republic of Indonesia	

Definitions:

"Director": One or a group of persons entrusted by the shareholders of a services providing entity with the final overall control and direction of the enterprise, and legally responsible to act on behalf of the enterprises inside and/or outside of the court.

"Manager": Senior employee of a service supplier who primarily directs the management of the organization, receiving general supervision or direction principally from the board of directors of the business, including directing the service supplier or a department or sub-division thereof, supervising or controlling the work of other supervisory, professional or managerial employee or having the authority to hire or fire or recommend such or other personnel actions.

"Technical Expert/Advisor": Person employed by a service supplier who possesses a standard of high or common (i) qualifications referring to a type of work or trade requiring specific technical knowledge or (ii) knowledge essential or proprietary to the service, research equipment, techniques or management.

"Joint Operator": A joint operation is an undertaking between one or several foreign and Indonesian enterprises of temporary nature, to handle one or several project/businesses without establishing a new statutory body according to Indonesian laws

"Joint venture Enterprise": A joint venture enterprise is a legal entity organized under Indonesian law and having its domicile in Indonesia, in the form of cooperation between foreign capital and Indonesian (national) capital.

"Contract Management": Contract management is a contract organized under Indonesian law in the form of cooperation on management of temporary nature between Indonesian (national) capital and foreign capital.

Modes of supply:	1)	Cross-border supply	2)	Consumption abroad	3)	Commercial presence	4)	Presence of natural persons
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Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
II- SECTOR-SPECIFIC COMMITMENTS			
<u>Telecommunication Services</u> All Subsectors			(i) Indonesia undertakes additional commitments as per reference paper attached (ii) The foreign service supplier must be a worldclass operator with extensive international experience. (iii) Type approval mechanism is in place (iv) Basic telecommunication service tariff is decided by the government;
<u>Local service:</u> - Public switched telephone service (CPC 7521) - Circuit switched public data network services (CPC 7523**)	1) None 2) None 3) Local services are provided exclusively by PT Telkom and 5 regional joint operation scheme operators. Type of legal entity required: - Joint venture, - Joint operation, or - Contract management Foreign equity participation is limited to 35 per cent.	1) Unbound 2) Unbound 3) None	The period of exclusivity for local services expires in 2011. The Government will conduct a review of policy with respect to whether to permit additional suppliers of such services upon the expiry of this period.
- Teleconferencing services (CPC 75292)	4) Natural person for management and technical expert for a JVC is limited to 20 persons.	4) As specified in horizontal measures	

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
<u>Long distance:</u> <ul style="list-style-type: none"> - Public switched telephone service (CPC 7521) - Circuit switched public data network services (CPC 7523**) - Teleconferencing services (CPC 75292) 	1) None 2) None 3) Long distance services are provided by PT Telkom exclusively Type of legal entity required: <ul style="list-style-type: none"> - Joint venture - Joint operation or - Contract management Foreign equity participation is limited to 35 per cent. 4) Natural person for management and technical expert for a JVC is limited to 20 persons.	1) Unbound 2) Unbound 3) None 4) As specified in horizontal measures	The period of exclusivity for long distance services expires in 2006. The Government will conduct a review of policy with respect to whether to permit additional suppliers of such services upon the expiry of this period.
<u>International:</u> <ul style="list-style-type: none"> - Public switched telephone service (CPC 7521) - Circuit switched public data network services (CPC 7523**) - Teleconferencing services (CPC 75292) 	1) Only through networks of PT Indosat and PT Satelindo. Callback is not permitted. 2) Callback is not permitted. 3) International services are provided exclusively by PT Indosat and PT Satelindo (duopoly). Type of legal entity required: <ul style="list-style-type: none"> - Joint venture - Joint operation or - Contract management Foreign equity participation is limited to 35 per cent. 4) Natural person for management and technical expert is limited to 20 persons.	1) Unbound 2) Unbound 3) None 4) As specified in horizontal measures	The period of exclusivity for international services expires in 2005. The Government will conduct a review of policy with respect to whether to permit additional suppliers of such services upon the expiry of this period.
Packet-switched public data network services (CPC 7523**) <ul style="list-style-type: none"> - X. 25 - Frame relay - Local - Local distance - International 	1) Only through networks of PT Indosat and PT Satelindo 2) None 3) Three service suppliers are now operating on a non-exclusive basis Type of legal entity required: <ul style="list-style-type: none"> - Joint venture or - Joint operation Foreign equity participation is limited to 35 per cent. 4) Natural person for management and technical expert is limited to 20 persons.	1) Unbound 2) Unbound 3) None 4) As specified in horizontal measures	

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
Telex services	1) Only through networks of PT Indosat and PT Satelindo 2) None 3) Type of legal entity required: - Joint venture or - Joint operation Foreign equity participation is limited to 35 per cent. 4) Natural person for management and technical expert limited to 20 persons.	1) Unbound 2) Unbound 3) Foreign service supplier should be a worldclass operator. 4) As specified in horizontal measures.	
Telegraph services	1) Only through networks of PT Indosat and PT Satelindo 2) None 3) Type of legal entity required: - Joint venture or - Joint operation Foreign equity participation is limited to 35 per cent. 4) Natural person for management and technical expert limited to 20 persons	1) Unbound 2) Unbound 3) Foreign service supplier should be a worldclass operator. 4) As specified in horizontal measures.	
<u>Domestic:</u> Mobile cellular telephone services (CPC 75213)	1) None 2) None 3) Seven operators are now providing service Type of legal entity required: Joint venture Foreign equity participation is limited to 35 per cent 4) Natural person for management and technical expert for a JVC is limited to 20 persons	1) Unbound 2) Unbound 3) None 4) As specified in horizontal measures.	

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
<u>Domestic:</u> Personal Mobile Cellular Communication Services	1) None 2) None 3) New entry only through a joint venture with state-owned company Foreign equity participation is limited to 35 per cent 4) Natural person for management and technical expert for a JVC is limited to 20 persons.	1) Unbound 2) Unbound 3) None 4) As specified in horizontal measures	
Internet Access Services	1) Until 2005, only through networks of PT Indosat and PT Satelindo for international access 2) None 3) More than 30 licences have been issued Type of legal entity required: - Joint venture or - Joint operation Foreign equity participation is limited to 35 per cent. 4) Natural person for management and technical expert limited to 20 persons	1) Unbound 2) Unbound 3) None 4) As specified in horizontal measures	
<u>Domestic:</u> Regional and National Paging Services (CPC 75291)	1) None 2) None 3) Currently there are 10 national operators and over 70 local operators. Type of legal entity required - Joint venture or - Joint operation Foreign equity participation is limited to 35 per cent 4) Natural person for management and technical expert limited to 20 persons	1) Unbound 2) Unbound 3) None 4) As specified in horizontal measures	

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
Domestic: Public payphone services	1) None 2) None 3) Provision and management of terminal equipment for public payphone services are now carried out by several local companies. Type of legal entity required: - Joint venture, - Joint operation, or - Contract management Foreign equity participation is limited to 35 per cent. 4) Natural person for management and technical expert limited to 20 persons	1) Unbound 2) Unbound 3) None 4) As specified in horizontal measures	- Division of revenue between the payphone operator and PT Telkom is determined by the government
Voice mail service (CPC 7523)	1) None 2) None 3) Access granted for five foreign service provider companies, in addition to existing companies 4) Unbound except for director and technical expert	1) None 2) None 3) Higher paid-up capital is required of foreign service suppliers than of domestic service suppliers. This measure will be eliminated in the year 2020. 4) As specified in the Horizontal Measures	
Electronic mail services (CPC 75232)	1) None 2) None 3) Access granted for five foreign service provider companies, in addition to existing companies 4) Unbound except for director and technical expert	1) None 2) None 3) Higher paid-up capital is required of foreign service suppliers than of domestic service suppliers. This measure will be eliminated in the year 2020. 4) As specified in the Horizontal Measures	
Computer time sharing services (CPC 84330)	1) None 2) None 3) Access granted for five foreign service provider companies, in addition to existing companies 4) Unbound except for director and technical expert	1) None 2) None 3) Higher paid-up capital is required of foreign service suppliers than of domestic service suppliers. This measure will be eliminated in the year 2020. 4) As specified in the Horizontal Measures	

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
Videotex services (CPC 75229)	1) None 2) None 3) Access granted for five foreign service provider companies, in addition to existing companies 4) Unbound except for director and technical expert	1) None 2) None 3) Higher paid-up capital is required of foreign service suppliers than of domestic service suppliers. This measure will be eliminated in the year 2020. 4) As specified in the Horizontal Measures	
Electronic mail box (CPC 75232)	1) None 2) None 3) Access granted for five foreign service provider companies, in addition to existing companies 4) Unbound except for director and technical expert	1) None 2) None 3) Higher paid-up capital is required of foreign service suppliers than of domestic service suppliers. This measure will be eliminated in the year 2020. 4) As specified in the Horizontal Measures	
File transfer services (CPC 75299)	1) None 2) None 3) Access granted for five foreign service provider companies, in addition to existing companies 4) Unbound except for director and technical expert	1) None 2) None 3) Higher paid-up capital is required of foreign service suppliers than of domestic service suppliers. This measure will be eliminated in the year 2020. 4) As specified in the Horizontal Measures	
- Home telemetering alarm (CPC 75299)	1) None 2) None 3) Access granted for five foreign service provider companies, in addition to existing companies 4) Unbound except for director and technical expert.	1) None 2) None 3) Higher paid-up capital is required of foreign service suppliers than of domestic service suppliers. This measure will be eliminated in the year 2020. 4) As specified in the Horizontal Measures.	

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
- Entertainment services (CPC 75299)	1) None 2) None 3) Access granted for five foreign service provider companies, in addition to existing companies 4) Unbound except for director and technical expert	1) None 2) None 3) Higher paid-up capital is required of foreign service suppliers than of domestic service suppliers. This measure will be eliminated in the year 2020. 4) As specified in the Horizontal Measures	
- Management information services (CPC 75299)	1) None 2) None 3) Access granted for five foreign service provider companies, in addition to existing companies 4) Unbound except for director and technical expert	1) None 2) None 3) Higher paid-up capital is required of foreign service suppliers than of domestic service suppliers. This measure will be eliminated in the year 2020. 4) As specified in the Horizontal Measures	
<u>Industrial Services</u>			
Advisory and Consultative (CPC 86721)	1) Unbound for government funded project 2) Unbound for government funded project 3) Joint operation through a representative office in Indonesia 4) Unbound except for director and technical expert	1) Unbound 2) Unbound 3) The Indonesian participant in joint operation must be member of Indonesian Consultant Association 4) As specified in the Horizontal Measures	
- Engineering design services for industrial processes and production (CPC 86725)	1) Unbound for government funded project 2) Unbound for government funded project 3) Joint operation through a representative office in Indonesia 4) Unbound except for director and technical expert	1) Unbound 2) Unbound 3) The Indonesian participant in joint operation must be member of Indonesian Consultant Association 4) As specified in the Horizontal Measures	

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
Project management services other than for construction (CPC 86601)	<ul style="list-style-type: none"> 1) Unbound for government funded project 2) Unbound for government funded project 3) Joint operation through a representative office in Indonesia 4) Unbound except for director and technical expert 	<ul style="list-style-type: none"> 1) Unbound 2) Unbound 3) The Indonesian participant in joint operation must be member of Indonesian Consultant Association 4) As specified in the Horizontal Measures 	
Consultancy Services related to the installation of computer hardware (CPC 841)	<ul style="list-style-type: none"> 1) Unbound for government funded project 2) Unbound for government funded project 3) Joint operation through a representative office in Indonesia 4) Unbound except for director and technical expert 	<ul style="list-style-type: none"> 1) Unbound 2) Unbound 3) The Indonesian participant in joint operation must be member of Indonesian Consultant Association 4) As specified in the Horizontal Measures 	
Software implementation Services (CPC 842)	<ul style="list-style-type: none"> 1) Unbound for government funded project 2) Unbound for government funded project 3) Joint operation through a representative office in Indonesia 4) Unbound except for director and technical expert 	<ul style="list-style-type: none"> 1) Unbound 2) Unbound 3) The Indonesian participant in joint operation must be member of Indonesian Consultant Association 4) As specified in the Horizontal Measures 	
Interdisciplinary R & D (CPC 853, limited to industrial activities)	<ul style="list-style-type: none"> 1) Unbound for government funded project 2) Unbound for government funded project 3) Joint operation through a representative office in Indonesia 4) Unbound except for director and technical expert 	<ul style="list-style-type: none"> 1) Unbound 2) Unbound 3) The Indonesian participant in joint operation must be member of Indonesian Consultant Association 4) As specified in the Horizontal Measures 	
Technical Testing and Analysis Services (CPC 8676)	<ul style="list-style-type: none"> 1) Unbound for government funded project 2) Unbound for government funded project 3) Joint operation through a representative office in Indonesia 4) Unbound except for director and technical expert 	<ul style="list-style-type: none"> 1) Unbound 2) Unbound 3) The Indonesian participant in joint operation must be member of Indonesian Consultant Association 4) As specified in the Horizontal Measures 	

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
Services incidental of manufacturing (CPC 884 & 885)	1) Unbound for government funded project 2) Unbound for government funded project 3) Joint operation through a representative office in Indonesia 4) Unbound except for director and technical expert	1) Unbound 2) Unbound 3) The Indonesian participant in joint operation must be member of Indonesian Consultant Association 4) As specified in the Horizontal Measures	
Maintenance and repair of equipment (not including maritime vessels, aircraft or other transport equipment) (CPC 633 + 8861 + 8866)	1) Unbound for government funded project 2) Unbound for government funded project 3) Joint operation through a representative office in Indonesia 4) Unbound except for director and technical expert	1) Unbound 2) Unbound 3) The Indonesian participant in a joint operation must be member of the Indonesian Consultant Association. 4) As specified in the Horizontal Measures	
Architectural Services (CPC 8671)	1) Unbound 2) None 3) (a) Joint operation: To form a joint operation by establishing a representative office (b) Joint venture: to establish a joint venture company by fulfilling the requirements as specified in the Horizontal Measures and the Foreign Capital Investment Law	1) Unbound 2) Unbound 3) (a) Joint operation: 1. Registration fee requirement 2. Licence for representative office shall be valid for 3 years and can be extended 3. Registered foreign company shall form a joint operation with local partner(s) which is (are) member(s) of the Indonesian Consultant Association having qualification (b) Joint venture: Local partner(s) in joint venture shall be member(s) of the Indonesian Consultant Association and having qualification A	

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
Engineering Service (CPC 8672 - except CPC 86721-86725-86726)	1) Unbound 2) None 3) (a) Joint operation: To form a joint operation by establishing a representative office (b) Joint venture: to establish a joint venture company by fulfilling the requirements as specified in the Horizontal Measures and the Foreign Capital Investment Law 4) As specified in the Horizontal Measures	1) Unbound 2) Unbound 3) (a) Joint operation: 1. Registration fee requirement 2. Licence for representative office shall be valid for 3 years and can be extended 3. Registered foreign company shall form a joint operation with local partner(s) which is (are) member(s) of the Indonesian Consultant Association having qualification A (b) Joint venture: Local partner(s) in joint venture shall be member(s) of the Indonesian Consultant Association and having qualification A 4) As specified in the Horizontal Measures	
Integrated Engineering Services (CPC 8673)	1) Unbound 2) None 3) (a) Joint operation: To form a joint operation by establishing a representative office (b) Joint venture: to establish a joint venture company by fulfilling the requirements as specified in the Horizontal Measures and the Foreign Capital Investment Law 4) As specified in the Horizontal Measures	1) Unbound 2) Unbound 3) (a) Joint operation: 1. Registration fee requirement 2. Licence for representative office shall be valid for 3 years and can be extended 3. Registered foreign company shall form a joint operation with local partner(s) which is (are) member(s) of the Indonesian Consultant Association having qualification A (b) Joint venture: Local partner(s) in joint venture shall be member(s) of the Indonesian Consultant Association and having qualification A 4) As specified in the Horizontal Measures	

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
Urban Planning Services (CPC 86742)	1) Unbound 2) None 3) (a) Joint operation: To form a joint operation by establishing a representative office (b) Joint venture: to establish a joint venture company by fulfilling the requirements as specified in the Horizontal Measures and the Foreign Capital Investment Law 4) As specified in the Horizontal Measures	1) Unbound 2) Unbound 3) (a) Joint operation: 1. Registration fee requirement 2. Licence for representative office shall be valid for 3 years and can be extended 3. Registered foreign company shall form a joint operation with local partner(s) which is (are) member(s) of the Indonesian Consultant Association having qualification A (b) Joint venture: Local partner(s) in joint venture shall be member(s) of the Indonesian Consultant Association and having qualification A 4) As specified in the Horizontal Measures	
- Pre-erection work at construction system (CPC 511 except CPC 51110 and 51113)	1) Unbound* 2) None 3) (a) Joint operation: To form a joint operation by establishing a representative office (b) Joint venture: to establish a joint venture company by fulfilling the requirements as specified in the Horizontal Measures and the Foreign Capital Investment Law 4) As specified in the Horizontal Measures	1) Unbound* 2) Unbound 3) (a) Joint operation: 1. Registration fee requirement 2. Licence for representative office shall be valid for 3 years and can be extended 3. Registered foreign company shall form a joint operation with local partner(s) which is (are) member(s) of the Indonesian Contractors Association having qualification A. (b) Joint venture: Local partner(s) in joint venture shall be member(s) of the Indonesian Consultant Association and having qualification A 4) As specified in the Horizontal Measures	

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
Construction work for building (CPC 512 except CPC 51210)	1) Unbound* 2) None 3) (a) Joint operation: To form a joint operation by establishing a representative office (b) Joint venture: to establish a joint venture company by fulfilling the requirements as specified in the Horizontal Measures and the Foreign Capital Investment Law 4) As specified in the Horizontal Measures	1) Unbound* 2) Unbound 3) (a) Joint operation: 1. Registration fee requirement. 2. Licence for representative office shall be valid for 3 years and can be extended 3. Registered foreign company shall form a joint operation with local partner(s) which is (are) member(s) of the Indonesian Contractors Association having qualification A (b) Joint venture: Local partner(s) in joint venture shall be member(s) of the Indonesian Contractors Association and having qualification A 4) As specified in the Horizontal Measures	
Construction work for civil engineering (CPC 513)	1) Unbound* 2) None 3) (a) Joint operation: To form a joint operation by establishing a representative office (b) Joint venture: to establish a joint venture company by fulfilling the requirements as specified in the Horizontal Measures and the Foreign Capital Investment Law 4) As specified in the Horizontal Measures	1) Unbound* 2) Unbound 3) (a) Joint operation: 1. Registration fee requirement 2. Licence for representative office shall be valid for 3 years and can be extended 3. Registered foreign company shall form a joint operation with local partner(s) which is (are) member(s) of the Indonesian Contractors Association having qualification A (b) Join venture: Local partner(s) in joint venture shall be member(s) of the Indonesian Contractors Association and having qualification A 4) As specified in the Horizontal Measures	

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
Assembly and erection of prefabricated construction (CPC 514 - 5140)	1) Unbound* 2) None 3) (a) Joint operation: To form a joint operation by establishing a representative office (b) Joint venture: to establish a joint venture company by fulfilling the requirements as specified in the Horizontal Measures and the Foreign Capital Investment Law 4) As specified in the Horizontal Measures	1) Unbound* 2) Unbound 3) (a) Joint operation: 1. Registration fee requirement 2. Licence for representative office shall be valid for 3 years and can be extended 3. Registered foreign company shall form a joint operation with local partner(s) which is (are) member(s) of the Indonesian Contractors Association having qualification A (b) Joint venture: Local partner(s) in joint venture shall be member(s) of the Indonesian Contractors Association and having qualification A 4) As specified in the Horizontal Measures	
Special trade construction work (CPC 515 - 5155)	1) Unbound* 2) None 3) (a) Joint operation: To form a joint operation by establishing a representative office (b) Joint venture: To establish a joint venture company by fulfilling the requirements as specified in the Horizontal Measures and the Foreign Capital Investment Law 4) As specified in the Horizontal Measures	1) Unbound* 2) Unbound 3) (a) Joint operation: 1. Registration fee requirement 2. Licence for representative office shall be valid for 3 years and can be extended 3. Registered foreign company shall form a joint operation with local partner(s) which is (are) member(s) of the Indonesian Contractors Association having qualification A (b) Joint venture: Local partner(s) in joint venture shall be member(s) of the Indonesian Contractors Association and having qualification A 4) As specified in the Horizontal Measures	

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
<p>Renting Services related to equipment for construction or demolition of building or civil engineering works, with operator (CPC 518)</p>	<p>1) Unbound*</p> <p>2) None</p> <p>3) (a) Joint operation: To form a joint operation by establishing a representative office</p> <p>(b) Joint venture: To establish a joint venture company by fulfilling the requirements as specified in the Horizontal Measures and the Foreign Capital Investment Law</p> <p>4) As specified in the Horizontal Measures</p>	<p>1) Unbound*</p> <p>2) Unbound</p> <p>3) (a) Joint operation:</p> <ol style="list-style-type: none"> Registration fee requirement Licence for representative office shall be valid for 3 years and can be extended Registered foreign company shall form a joint operation with local partner(s) which is (are) member(s) of the Indonesian Contractors Association having qualification A <p>(b) Joint venture: Local partner(s) in joint venture shall be member(s) of the Indonesian Contractors Association and having qualification A</p> <p>4) As specified in the Horizontal Measures</p>	
<p>TRANSPORT SERVICES</p> <p><u>Maritime Transport Services</u>*)</p>			
<p>(a) International Passenger transport (CPC 7211)</p>	<p>1) None</p> <p>2) None</p> <p>3) Foreign Shipping Companies may establish Owner's Representative**)</p> <p>4) (a) Joint venture: As specified in the Horizontal Measures</p> <p>(b) Owner's Representative: Unbound except for manager</p>	<p>1) Foreign Shipping Company is obliged to appoint Indonesian Shipping Company as its General Agent***)</p> <p>2) None</p> <p>3) As specified in the Horizontal Measures</p> <p>4) As specified in the Horizontal Measures</p>	<p>Access to and use of port facilities in the port which is opened for international shipping</p>

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
(b) International Freight transport (CPC 7212)	1) None 2) None 3) Foreign Shipping Companies may establish Owner's Representative**) 4) (a) Joint venture: As specified in the Horizontal Measures (b) Owner's Representative: Unbound except for manager	1) (a) Foreign Shipping Company is obliged to appoint Indonesian shipping company as its general agent***) (b) Government's cargo****) 2) None 3) As specified in the Horizontal Measures 4) As specified in the Horizontal Measures	
<p>Notes (Maritime) :</p> <p>*) : Passenger and Freight transportation excluding cabotage and auxiliary services</p> <p>**) : Owner`s Representative appointed by foreign shipping company has the following tasks: a) to monitor his vessels during operational activities in Indonesian ports; b) to supervise activities done by its General Agent in servicing of its vessels, calling in Indonesia; c) to make direct contact with cargo owners.</p> <p>***)) : The tasks of General Agent in Indonesia inter alia are as follows: a) to make arrangement in order to get all necessary port services as required by the foreign vessel concerned during their stay in Indonesia ports; b) to appoint stevedoring company for cargo loading and unloading on behalf of its principal; c) to arrange cargo booking and canvassing; d) to collect freight on behalf of the principal; e) to issue Bill of Lading on behalf of the principal; f) to settle the disbursement and claim (if any); g) to give information as required by its principal.</p> <p>****)) : Government`s Cargo is cargo originated from the other countries (import cargoes) purchased by the Government Agencies or based on loan/credit agreement with the other countries.</p>			

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
<p>TOURISM SERVICES</p> <p><u>Hotels</u>²</p>	<p>1),2) None</p> <p>3) In eastern part of Indonesia, Kalimantan, Bengkulu, Jambi and Sulawesi, 100 % of capital share can be owned by foreign investor</p> <p>4) a) Unbound except for:</p> <ol style="list-style-type: none"> 1. Top Management Level in Hotel business comprised of: <ol style="list-style-type: none"> i) General Manager ii) Food and Beverage Manager iii) Resident Manager iv) Comptroller v) Marketing Director 2. Highly Skilled Professionals comprised of: <ol style="list-style-type: none"> i) Executive Chef ii) Sous Chef iii) Speciality Cook 	<p>1),2) None</p> <p>3) a) Higher paid-up capital is required of foreign service suppliers than of domestic service suppliers. This measure will be eliminated in the year 2020</p> <p>b) Only 3, 4 or 5 starred hotels are permitted.</p> <p>4) As specified in the Horizontal Measures</p>	
<p>B. <u>Travel Agent and Tour Operator (TA & TO)</u> (CPC 74710)</p>	<p>1) None</p> <p>2) None</p> <p>3) Maximum service providers 30 TA & TO</p> <p>4) Unbound except for technical advisor</p>	<p>1) None</p> <p>2) None</p> <p>3) Tour operator must be Travel Agent located in Jakarta and Bali</p> <p>4) As specified in the Horizontal Measures</p>	
<p><u>Tourist Resorts Include</u>³</p> <ul style="list-style-type: none"> - Hotel - Marinas - Golf Courses and other Sport facilities 	<p>1),2) None</p> <p>3) In eastern part of Indonesia, Kalimantan, Bengkulu, Jambi and Sulawesi, 100% of capital share can be owned by foreign investor</p> <p>4) Unbound except for Resort Manager</p>	<p>1),2) None</p> <p>3) (a) Higher paid-up capital is required of foreign service suppliers than of domestic service suppliers. This measure will be eliminated in the year 2020.</p> <p>(b) Only 3, 4 or 5 starred hotels are permitted</p> <p>4) As specified in the Horizontal Measures</p>	

² Starred Hotel is a service business which provides accommodation and food and beverages facilities and other services, except casino and other activities prohibited by law; against public moral, religion, security and public order.

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
FINANCIAL SERVICES:			
General conditions on Non Banking Financial Services Subsector:			
<ol style="list-style-type: none"> All Market Access and National Treatment limitations specified in the Non Banking Financial Services Subsector will be eliminated by the year 2020 subject to similar commitment by other Members. The share ownership of foreign services supplier is bound at the prevailing laws and regulations. The conditions of ownership and the percentage share of ownership as stipulated in the respective shareholder agreement establishing the existing individual joint venture in non banking financial services shall be respected. No transfer of ownership shall take place without the consent of all parties in the joint venture concerned. Limitation on national treatment in terms of taxation which is specified in the Horizontal Measures is not applied on the Non Banking Financial Services Subsector. In addition to the Horizontal Measures, temporary entry will be granted to technical expert(s)/adviser(s) for no longer than 3 (three) months per person for any given year. Share of non-bank financial companies listed in the stock exchange may be 100% owned by foreign investors. In relation to the presence of natural persons, only directors, managers, and experts/advisors can be assumed by expatriates with maximum stay of 3 years and can be extended. All joint venture companies shall provide training for their employee. Limitation on national treatment in terms of difference in paid up capital requirement will be eliminated in the year 1998. 			

³ Tourist Resort is an area, built to accommodate the facilities needed for the tourist such as hotels, marinas, golf courses, cultural open stage and other facilities, except casino and other activities prohibited by law; against public moral, religion, security and public order.

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
Non-Life Insurance Services (CPC 8129)	1) Unbound 2) Unbound except if: (a) There is no insurance company in Indonesia, either individually or group, which could handle the insurance risks of the object in question. (b) There is no insurance company in Indonesia which want to carry out an insurance coverage of the object in question. (c) The owners of insurance objects in question are not Indonesian citizens or Indonesian legal entities. 3) As specified in the Horizontal Measures and General Conditions. 4) Unbound except for director and technical advisor/expert.	1) Unbound 2) Unbound 3) As specified in the General Conditions. 4) As specified in the Horizontal Measures.	
Reinsurance Services	1) Reinsurance service supplier from other member must be rated minimum as BBB by Standard and Poor or equivalent. 2) Reinsurance service supplier from other member must be rated minimum as BBB by Standard and Poor or equivalent. 3) As specified in the Horizontal Measures and General Conditions. 4) Unbound except for director and technical advisor/expert.	1) None 2) Unbound 3) As specified in the General Conditions. 4) As specified in the Horizontal Measures.	

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
Life Insurance Services (CPC 8121)	1) Unbound 2) Unbound except if: (a) There is no insurance company in Indonesia, either individually or group, which could handle the insurance risks of the object in question. (b) There is no insurance company in Indonesia which wants to carry out an insurance coverage of the object in question. (c) The owners of insurance objects in question are not Indonesian citizens or Indonesian legal entities. 3) As specified in the Horizontal Measures and General Conditions. 4) Unbound except for director and technical advisor/expert.	1) Unbound 2) Unbound 3) As specified in the General Conditions. 4) As specified in the Horizontal Measures.	
Insurance Brokerage Services (CPC 8140)	1) Unbound 2) None 3) As specified in the Horizontal Measures and General Conditions. 4) Unbound except for director and technical advisor/expert.	1) None 2) None 3) As specified in the General Conditions. 4) As specified in the Horizontal Measures.	
Reinsurance Brokerage Services (CPC 8140)	1) Unbound 2) None 3) As specified in the Horizontal Measures and General Conditions. 4) Unbound except for director and technical advisor/expert.	1) None 2) None 3) As specified in the General Conditions. 4) As specified in the Horizontal Measures.	
Financial Lease Services (CPC 81120)	1) None 2) None 3) As specified in the Horizontal Measures and General Conditions. 4) Unbound except as indicated in the Horizontal Measures.	1) None 2) None 3) As specified in the General Conditions. 4) As specified in the Horizontal Measures.	

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
Factoring Services (CPC 8113)	1) Unbound except for international factoring transaction. 2) None 3) As specified in the Horizontal Measures and General Conditions. 4) Unbound except as indicated in the Horizontal Measures.	1) Unbound 2) None 3) As specified in the General Conditions. 4) As specified in the Horizontal Measures.	
Credit Card Business (Issuer and Agent of Credit Card) (CPC 8113)	1) None 2) None 3) As specified in the Horizontal Measures and General Conditions. 4) Unbound except as indicated in the Horizontal Measures.	1) None 2) None 3) As specified in the General Conditions. 4) As specified in the Horizontal Measures.	
Consumers Finance Services (CPC 8113)	1) None 2) None 3) As specified in the Horizontal Measures and General Conditions. 4) Unbound except as indicated in the Horizontal Measures.	1) None 2) None 3) As specified in the General Conditions. 4) As specified in the Horizontal Measures.	
Securities Business	1) Unbound 2) None 3) Through establishment of a securities broker/dealer. 4) Unbound except as indicated in the Horizontal Measures.	1) Unbound 2) None 3) As specified in the General Conditions. 4) As specified in the Horizontal Measures.	
<ul style="list-style-type: none"> - Trading for own account or for account of customers, on an exchange or over-the-counter market - Listed shares - Bonds 			

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
Participation in issues of securities, including underwriting and placement as agent (whether publicly or privately), and provision of services related to such issues	1) Unbound 2) None 3) Through establishment of a securities underwriter company. 4) Unbound except as indicated in the Horizontal Measures.	1) Unbound 2) None 3) As specified in the General Conditions. 4) As specified in the Horizontal Measures.	
Portfolio management, all forms of collective investment management	1) Unbound 2) None 3) Through establishment of an investment management company. 4) Unbound except for directors.	1) Unbound 2) None 3) As specified in the General Conditions. 4) As specified in the Horizontal Measures.	
Asset Management limited only to investment fund management	1) Unbound 2) None 3) Through establishment of an investment management company. 4) Unbound except for directors.	1) Unbound 2) None 3) As specified in the General Conditions. 4) As specified in the Horizontal Measures.	
Investment Advisory Services limited only to investment advisory in capital market	1) Unbound 2) None 3) Through establishment of an investment management company. 4) Unbound except for directors.	1) Unbound 2) None 3) As specified in the General Conditions. 4) As specified in the Horizontal Measures.	

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
Banking Subsector:	General Conditions on Banking Subsector.		
<div>1. All Market Access and National Treatment limitation specified in the banking subsector will be eliminated by the year 2020 subject to similar commitment by other members.</div> <div>2. With the exception of the existing branches of foreign banks, foreign services provider shall be in the form of joint venture bank locally incorporated in Indonesia with the following requirements:<div><div>(a) Unbound for new license</div><div>(b) Only bank institutions are permitted to establish joint venture banks.</div></div></div> <div>3. The share ownership of foreign services supplier in the joint venture bank is bound at prevailing laws and regulation. The conditions of ownership and the percentage share of ownership as stipulated in the respective shareholder agreement establishing the existing individual joint venture bank shall be respected as the basis of ownership of the foreign service provider(s) and their Indonesian partner(s). No transfer of ownership shall take place without the consent of all parties in the joint venture bank concerned.</div> <div>4. Acquisition of local existing banks is allowed through the purchase of up to 49% of the shares of locally incorporated bank listed in the stock exchange.</div> <div>5. Limitation on national treatment in terms of difference in paid up capital requirement will be eliminated in the year 1998.</div> <div>6. Foreign bank and joint ventures bank may open their offices in the cities of Jakarta, Surabaya, Semarang, Bandung, Medan, Ujun Pandang, Denpasar and Batam Island.</div> <div>7. With respect to the presence of natural persons no economic needs test will apply. A non Indonesian employed as manager or as technical expert shall have at least two Indonesian under studies during his/her term.</div> <div>8. In addition to the Horizontal Measures, temporary entry will be granted to technical expert(s)/advisor(s) of branch office of the foreign bank and joint venture bank for no longer than 3 (three) months per person for any given year.</div> <div>9. Limitation on national treatment in terms of taxation which is specified in Horizontal Measures is not applied on the Banking Subsector.</div>			

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
Commercial Banking Business			
(i) Acceptance of deposits and other repayable funds from the public	1) None 2) None 3) (a) Bound only 1 (one) sub-branch and 1 (one) auxiliary offices for foreign bank's branch office. (b) Bound only 1 (one) branch and 1 (one) sub-branch for joint venture bank. 4) Unbound except as indicated in the Horizontal Measures and General Conditions on Banking Subsector.	1) None 2) None 3) (a) For foreign bank branch, only executive position can be assumed by expatriates with limitation that at least one of them shall be Indonesian national. (b) For the joint venture bank, only for the director can be assumed by the expatriates in proportion to the ownership sharing. 4) Unbound except as indicated in the Horizontal Measures and General Conditions on Banking Subsector.	
(ii) Lending of all types, including consumer credit, mortgage, credit, factoring, and financing of commercial transaction	1) None 2) None 3) (a) Bound only 1 (one) sub-branch and 1 (one) auxiliary offices for foreign bank's branch office. (b) Bound only 1 (one) branch and 1 (one) sub-branch for joint venture bank. 4) Unbound except as indicated in the Horizontal Measures and General Conditions on Banking Subsector.	1) None 2) None 3) (a) For foreign bank branch, only executive position can be assumed by expatriates with limitation that at least one of them shall be Indonesian national. (b) For the joint venture bank, only for the director can be assumed by the expatriates in proportion to the ownership sharing. 4) Unbound except as indicated in the Horizontal Measures and General Conditions on Banking Subsector.	

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
(iii) All payment and money transmission services including credit, charge and debit cards, travellers cheques and bankers drafts	1) None 2) None 3) (a) Bound only 1 (one) sub-branch and 1 (one) auxiliary offices for foreign bank's branch office. (b) Bound only 1 (one) branch and 1 (one) sub-branch for joint venture bank. 4) Unbound except as indicated in the Horizontal Measures and General Conditions on Banking Subsector.	1) None 2) None 3) (a) For foreign bank branch, only executive position can be assumed by expatriates with limitation that at least one of them shall be Indonesian national. (b) For the joint venture bank, only for the director can be assumed by the expatriates in proportion to the ownership sharing. 4) Unbound except as indicated in the Horizontal Measures and General Conditions on Banking Subsector.	
(iv) Guarantees and Commitments	1) None 2) None 3) (a) Bound only 1 (one) sub-branch and 1 (one) auxiliary offices for foreign bank's branch office. (b) Bound only 1 (one) branch and 1 (one) sub-branch for joint venture bank. 4) Unbound except as indicated in the Horizontal Measures and General Conditions on Banking Subsector.	1) None 2) None 3) (a) For foreign bank branch, only executive position can be assumed by expatriates with limitation that at least one of them shall be Indonesian national. (b) For the joint venture bank, only for the director can be assumed by the expatriates in proportion to the ownership sharing. 4) Unbound except as indicated in the Horizontal Measures and General Conditions on Banking Subsector.	

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
(v) Trading for own account or for account of customers, whether on an exchange, in an over-the-counter market or otherwise, the following: <ul style="list-style-type: none"> - Money market instruments (including cheques, bills, certificates of deposits) - Foreign Exchange - Exchange rate and interest rate instruments, including products such as swaps, forward rate agreements 	1) None 2) None 3) (a) Bound only 1 (one) sub-branch and 1 (one) auxiliary offices for foreign bank's branch office. (b) Bound only 1 (one) branch and 1 (one) sub-branch for joint venture bank. 4) Unbound except as indicated in the Horizontal Measures and General Conditions on Banking Subsector.	1) None 2) None 3) (a) For foreign bank branch, only executive position can be assumed by expatriates with limitation that at least one of them shall be Indonesian national. (b) For the joint venture bank, only for the director can be assumed by the expatriates in proportion to the ownership sharing. 4) Unbound except as indicated in the Horizontal Measures and General Conditions on Banking Subsector.	
	1) None 2) None 3) (a) Bound only 1 (one) sub-branch and 1 (one) auxiliary offices for foreign bank's branch office. (b) Bound only 1 (one) branch and 1 (one) sub-branch for joint venture bank. 4) Unbound except as indicated in the Horizontal Measures and General Conditions on Banking Subsector.	1) None 2) None 3) (a) For foreign bank branch, only executive position can be assumed by expatriates with limitation that at least one of them shall be Indonesian national. (b) For the joint venture bank, only for the director can be assumed by the expatriates in proportion to the ownership sharing. 4) Unbound except as indicated in the Horizontal Measures and General Conditions on Banking Subsector.	
	1) None 2) None 3) (a) Bound only 1 (one) sub-branch and 1 (one) auxiliary offices for foreign bank's branch office. (b) Bound only 1 (one) branch and 1 (one) sub-branch for joint venture bank. 4) Unbound except as indicated in the Horizontal Measures and General Conditions on Banking Subsector.	1) None 2) None 3) (a) For foreign bank branch, only executive position can be assumed by expatriates with limitation that at least one of them shall be Indonesian national. (b) For the joint venture bank, only for the director can be assumed by the expatriates in proportion to the ownership sharing. 4) Unbound except as indicated in the Horizontal Measures and General Conditions on Banking Subsector.	

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
- Transferable securities issued in the money market	1) None 2) None 3) (a) Bound only 1 (one) sub-branch and 1 (one) auxiliary offices for foreign bank's branch office. (b) Bound only 1 (one) branch and 1 (one) sub-branch for joint venture bank. 4) Unbound except as indicated in the Horizontal Measures and General Conditions on Banking Subsector.	1) None 2) None 3) (a) For foreign bank branch, only executive position can be assumed by expatriates with limitation that at least one of them shall be Indonesian national. (b) For the joint venture bank, only for the director can be assumed by the expatriates in proportion to the ownership sharing. 4) Unbound except as indicated in the Horizontal Measures and General Conditions on Banking Subsector.	
(vi) Cash management, custodial and depository services	1) None 2) None 3) (a) Bound only 1 (one) sub-branch and 1 (one) auxiliary offices for foreign bank's branch office. (b) Bound only 1 (one) branch and 1 (one) sub-branch for joint venture bank. 4) Unbound except as indicated in the Horizontal Measures and General Conditions on Banking Subsector.	1) None 2) None 3) (a) For foreign bank branch, only executive position can be assumed by expatriates with limitation that at least one of them shall be Indonesian national. (b) For the joint venture bank, only for the director can be assumed by the expatriates in proportion to the ownership sharing. 4) Unbound except as indicated in the Horizontal Measures and General Conditions on Banking Subsector.	

**ATTACHMENT TO THE REPUBLIC OF INDONESIA
SCHEDULE ON BASIC TELECOMMUNICATIONS**

REFERENCE PAPER

Scope

The following are definitions and principles on the regulatory framework for the basic telecommunications services.

Definitions

Users mean service consumers and service suppliers.

Essential facilities mean facilities of a public telecommunications transport network or service that

- (a) are exclusively or predominantly provided by a single or limited number of suppliers; and
- (b) cannot feasibly be economically or technically substituted in order to provide a service.

A major supplier is a supplier which has the ability to materially affect the terms of participation (having regard to price and supply) in the relevant market for basic telecommunications services as a result of:

- (a) control over essential facilities; or
- (b) use of its position in the market.

1. Competitive safeguards

1.1 Prevention of anti-competitive practices in telecommunications

Appropriate measures shall be maintained for the purpose of preventing suppliers who, alone or together, are a major supplier from engaging in or continuing anti-competitive practices.

1.2 Safeguards

The anti-competitive practices referred to above shall include in particular:

- (a) engaging in anti-competitive cross-subsidization;
- (b) using information obtained from competitors with anti-competitive results; and
- (c) not making available to other services suppliers on a timely basis technical information about essential facilities and commercially relevant information which are necessary for them to provide services.

2. Interconnection

2.1 This section applies to linking with suppliers providing public telecommunications transport networks or services in order to allow the users of one supplier to communicate with users of another supplier and to access services provided by another supplier, where specific commitments are undertaken.

2.2 Interconnection to be ensured

Interconnection with a major supplier will be ensured at any technically feasible point in the network. Such interconnection is provided.

- (a) under non-discriminatory terms, conditions (including technical standards and specifications) and rates and of a quality no less favourable than that provided for its own like services or for like services of non-affiliated service suppliers or for its subsidiaries or other affiliates;
- (b) in a timely fashion, on terms, conditions (including technical standards and specifications) and cost-oriented rates that are transparent, reasonable, having regard to economic feasibility, and sufficiently unbundled so that the supplier need not pay for network components or facilities that it does not require for the service to be provided; and
- (c) upon request, at points in addition to the network termination points offered to the majority of users, subject to charges that reflect the cost of construction of necessary additional facilities.

2.3 Public availability of the procedures for interconnection negotiations

The procedures applicable for interconnection to a major supplier will be made publicly available.

2.4 Transparency of interconnection arrangements

It is ensured that a major supplier will make publicly available either its interconnection agreements or a reference interconnection offer.

2.5 Interconnection: dispute settlement

A service supplier requesting interconnection with a major supplier will have recourse, either:

- (a) at any time or
- (b) after a reasonable period of time which has been made publicly known

to an independent domestic body, which may be a regulatory authority as referred to in paragraph 5 below, to resolve disputes regarding appropriate terms, conditions and rates for interconnection within a reasonable period of time, to the extent that these have not been established previously.

3. Universal service

Any Member has the right to define the kind of universal service obligation it wishes to maintain. Such obligations will not be regarded as anti-competitive *per se*, provided they are administered in a transparent, non-discriminatory and competitively neutral manner and are not more burdensome than necessary for the kind of universal service defined by the Member.

4. Public availability of licensing criteria

Where a licence is required, the following will be made publicly available:

- (a) all the licensing criteria and the period of time normally required to reach a decision concerning an application for a licence and
- (b) the terms and conditions of individual licences.

The reasons for the denial of a licence will be made known to the applicant upon request.

5. Regulatory Authority

The regulatory Authority is not accountable to, any supplier of basic telecommunications services. The decisions of and the procedures used by regulators shall be impartial with respect to all market participants.

6. Allocation and use of scarce resources

Any procedures for the allocation and use of scarce resources, including frequencies, numbers and rights of way, will be carried out in an objective, timely and transparent manner. The current state of allocated frequency bands will be made publicly available, but detailed identification of frequencies allocated for specific government uses is not required.

INDONESIA – LIST OF ARTICLE II (MFN) EXEMPTIONS

Sector or Subsector	Description of measure indicating its inconsistency with Article II	Countries to which the measure applies	Intended duration	Conditions creating the need for the exemption
<p>Movement of Personnel (semi-skilled workers)</p> <p>3. CONSTRUCTION SERVICES</p> <p>Construction Services (government funded projects)</p>	<p>Low level occupations are reserved for Indonesian citizens. Based on Government Policy, limited exemptions may be granted to citizens of certain countries.</p> <p>Measures relating to preferential shortlisting in international competitive bidding</p>	<p>Nationals of Malaysia, Singapore, Brunei Darussalam, Papua New Guinea and Australia have been granted limited access to low level occupations</p> <p>Nationals of Brunei Darussalam, Malaysia, The Philippines, Singapore and Thailand have been granted special treatment</p>	<p>Indefinite</p> <p>These measures shall be maintained as long as the treaties of Asean remain in force</p>	<p>Development of the region is being undertaken and for the confirmation of this programme, it is decided to grant limited access to low level occupations to citizens at a limited number of countries</p> <p>The implementation of a preferential shortlisting scheme for Asean contractors enhances the advancement of civil works, industrial construction and the economic development of the Asean region</p>

Sector or Subsector	Description of measure indicating its inconsistency with Article II	Countries to which the measure applies	Intended duration	Conditions creating the need for the exemption
<p>7. FINANCIAL SERVICES</p> <p>Banking Services</p>	<p>Measures relating to a joint-venture bank of national and foreign origin under which entry of a foreign bank in Indonesia is allowed on a reciprocity basis (pursuant to Articles 14(3) of the Ministry of Finance Decrees No. 220/KMK.017/1993 dated 26 February 1993).</p> <p>With respect to joint-venture banks, licenses can only be granted to foreign banks of countries which adopt reciprocal policies regarding Indonesian banks.</p>	<p>All countries which adopt reciprocal policies regarding Indonesian banks.</p>	<p>Suspended until the end of the period of 60 days beginning on 1 November 1997 as stipulated in the Second Decision on Financial Services adopted by the Council for Trade in Services on 21 July 1995.</p>	<p>To guarantee equal treatment to Indonesian nationals wishing to establish and operate banks abroad.</p>