

INDONESIA- SCHEDULE OF SPECIFIC COMMITMENTS

(For the Second Package of Commitments)

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

Sector or subsector	Limitation on market access	Limitation on national treatment	Additional commitments
AIR TRANSPORT SERVICES a) Computer Reservation System Services	1) None 2) None 3) Unbound 4) Unbound	1) None 2) None 3) Unbound 4) Unbound	
BUSINESS SERVICES a) Advisory and consultative services related to engineering (CPC 86721)	1) None 2) None 3) Joint operation through a representative office in Indonesia 4) Unbound except for director and technical expert	1) Unbound 2) None 3) The Indonesian participant in joint operation must be member of Indonesian Consultant Association 4) As specified in Horizontal Measures	

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b) Engineering design services for industrial processes and production (CPC 86725)	1) None 2) None 3) Joint operation through a representative office in Indonesia 4) Unbound except for director and technical expert	1) Unbound 2) None 3) The Indonesian participant in joint operation must be member of Indonesian Consultant Association 4) As specified in Horizontal Measures	
c) Project management services other than for construction (CPC 86601)	1) None 2) None 3) Joint operation through a representative office in Indonesia 4) Unbound except for director and technical expert	1) Unbound 2) None 3) The Indonesian participant in joint operation must be member of Indonesian Consultant Association 4) As specified in Horizontal Measures	

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d) Consultancy services related to the installation of computer hardware (CPC 841)	1) None 2) None 3) Joint operation through a representative office in Jakarta 4) Unbound except for director and technical expert	1) Unbound 2) None 3) The Indonesian participant in joint operation must be member of Indonesian Consultant Association 4) As specified in Horizontal Measures	
e) Software implementation services (CPC 842)	1) None 2) None 3) Joint operation through a representative office in Indonesia 4) Unbound except for director and technical expert	1) Unbound 2) None 3) The Indonesian participant in joint operation must be member of Indonesian Consultant Association 4) As specified in Horizontal Measure	

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f) Interdisciplinary R&D (CPC 853, limited to industrial activities)	1) None 2) None 3) Joint operation through a representative office in Indonesia 4) Unbound except for director and technical expert	1) Unbound 2) None 3) The Indonesian participant in joint operation must be member of Indonesian Consultant Association 4) As specified in Horizontal Measures	
g) Technical testing and analysis services (CPC 8676)	1) None 2) None 3) Joint operation through a representative office in Indonesia 4) Unbound except for director and technical expert	1) Unbound 2) None 3) The Indonesian participant in joint operation must be member of Indonesian Consultant Association 4) As specified in Horizontal Measures	

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<p>h) Services incidental to manufacturing (CPC 884 & 885)</p>	<p>1) None 2) None 3) Joint operation through a representative office in Indonesia 4) Unbound except for director and technical expert</p>	<p>1) Unbound 2) None 3) The Indonesian participant in joint operation must be member of Indonesian Consultant Association 4) As specified in Horizontal Measures</p>	
<p>i) Maintenance and repair of equipment (not including maritime vessel, aircraft, or other transport equipment) (CPC633 + 8861 + 8866)</p>	<p>1) None 2) None 3) Joint operation through a representative office in Indonesia 4) Unbound except for director and technical expert</p>	<p>1) Unbound 2) None 3) The Indonesian participant in joint operation must be member of Indonesian Consultant Association 4) As specified in Horizontal Measures</p>	

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<p>CONSTRUCTION SERVICES</p> <p>a) Building completion and finishing work (CPC 517)</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:</p> <p>1. To establish a limited liability enterprise (Perseroan Terbatas/PT)</p> <p>2. Not more than 55% of the capital share of the limited liability enterprise [Perseroan Terbatas/PT), may be owned by foreign partner(s)]</p>	<p>1) Unbound</p> <p>2) Unbound</p> <p>3) a. Joint Operation:</p> <p>1. Registration free requirement</p> <p>2. Licence for representative office shall be valid for 3 years and can be extended</p> <p>3. Registered foreign company shall form a joint operation with local partner(s) which is (are) the member of the Indonesian Contractor Association</p> <p>b. Joint Venture:</p> <p>1. The establishment of joint venture company would need to have local partner(s) which is (are) the member of the Indonesian Contractor Association</p>	

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	4) As indicated in all sectors	2. Not more than 55% of the capital share of the limited liability enterprise (Perseroan Terbatas/PT), may be owned by foreign partner(s) 4) As indicated in all sectors	
<p>General conditions on Banking Sector:</p> <ol style="list-style-type: none"> 1. All Market Access and National Treatment limitations specified in the banking subsector will be eliminated by the year 2010 subject to similar commitment by other Members. 2. In conducting transactions specified in this offer, 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: <ol style="list-style-type: none"> a) Unbound for new license b) Only bank institutions are permitted to establish joint venture banks 3. Acquisition of local existing banks is allowed through the purchase of up to 49% of the shares of locally incorporated banks listed in the stock exchange. 4. 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 ownership of foreign service provider(s) and this Indonesian partner(s) 5. With respect to the presence of natural person 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. 6. Branch office of the foreign bank and joint ventures bank may open their offices in the cities of Jakarta, Surabaya, Semarang, Bandung, Medan, Ujung Pandang, Denpasar, Batam Island, <i>Padang, Manado, and Ambon.</i> 7. In addition to the Horizontal Measures, temporary entry will be granted to the 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. 			

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<p>TELECOMMUNICATION SERVICES All Subsectors</p> <p>Local service:</p> <p>a) Public switched telephone service (CPC 7521)</p> <p>b) Circuit switched public data network services (CPC 7523**)</p> <p>c) Teleconferencing services (CPC 75292)</p>	<p>1) None</p> <p>2) None</p> <p>3) Long distance services are provided exclusively by PT Telkom and 5 regional joint operation scheme operators.</p> <p style="padding-left: 20px;">Type of legal entity required:</p> <ul style="list-style-type: none"> - Joint venture - Joint operation, or - Contract management <p style="padding-left: 20px;">Foreign equity participation is limited to 40¹ percent.</p> <p>4) Natural person for management and technical expert for a JVC is limited to 20 persons.</p>	<p>1) Unbound</p> <p>2) Unbound</p> <p>3) None</p> <p>4) As specified in the Horizontal Measures</p>	<p>(i) The foreign service supplier must be a world class operator with extensive international experience</p> <p>(ii) Type approval mechanism is in place</p> <p>(iii) Basic telecommunication service tariff is decided by the government</p> <p>The period of exclusivity for local services expires in 2011. The government will conduct a review of</p>

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<p>Long distance:</p> <p>a) Public switched telephone service (CPC 7521)</p> <p>b) Circuit switched public data network services (CPC 7523**)</p>	<p>1) None</p> <p>2) None</p> <p>3) Local services are provided exclusively by PT Telkom and 5 regional joint operation scheme operators.</p> <p>Type of legal entity required:</p> <ul style="list-style-type: none"> - Joint venture - Joint operation, or - Contract management 	<p>1) Unbound</p> <p>2) Unbound</p> <p>3) None</p>	<p>policy with respect of whether to permit additional suppliers of such services upon the expiry of this period.</p> <p>The period of exclusively 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.</p>

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Sector or subsector	Limitation on market access	Limitation on national treatment	Additional commitments
<p>c) Teleconferencing services (CPC 75292)</p> <p>International:</p> <p>a) Public switched telephone service (CPC 7521)</p> <p>b) Circuit switched public data network services (CPC 7523**)</p>	<p>Foreign equity participation is limited to 40² percent.</p> <p>4) Natural person for management and technical expert for a JVC is limited to 20 persons.</p> <p>1) Only through networks of PT Indosat and PT Satelindo. Callback is not permitted</p> <p>2) Callback is not permitted.</p> <p>3) International services are provided exclusively by PT Indosat and PT Satelindo (duopoly)</p> <p>Type of legal entity required:</p> <ul style="list-style-type: none"> - Joint venture - Joint operation - Contract management 	<p>4) As specified in Horizontal Measures</p> <p>1) Unbound</p> <p>2) Unbound</p> <p>3) None</p>	<p>The period of exclusivity for long distance 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.</p>

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Sector or subsector	Limitation on market access	Limitation on national treatment	Additional commitments
<p>c) Teleconferencing services (CPC 75292)</p> <p>Packet-switched public data network services (CPC 7523**) <ul style="list-style-type: none"> - X.25 - Frame relay - Local distance - International </p>	<p>Foreign equity participation is limited to 40 percent.</p> <p>4) Natural person for management and technical expert for a JVC is limited to 20 persons.</p> <p>1) Only through networks of PT Indosat and PT Satelindo</p> <p>2) None</p> <p>3) Three services suppliers are now operating on non-exclusive basis.</p> <p>Type of legal entity required:</p> <ul style="list-style-type: none"> - Joint venture or - Joint operation 	<p>4) As specified in Horizontal Measures.</p> <p>1) Unbound</p> <p>2) Unbound</p> <p>3) None</p>	

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Sector or subsector	Limitation on market access	Limitation on national treatment	Additional commitments
Telex services	<p>Foreign equity participation is limited to 40 percent.</p> <p>4) Natural person for management and technical expert is limited to 20 persons.</p> <p>1) Only through networks of PT Indosat and PT Satelindo</p> <p>2) None</p> <p>3) Type of legal entity required:</p> <ul style="list-style-type: none"> - Joint venture, or - Joint operation <p>Foreign equity participation is limited to 40³ percent.</p> <p>4) Natural person for management and technical expert is limited to 20 persons.</p>	<p>4) As specified in Horizontal Measures.</p> <p>1) Unbound</p> <p>2) Unbound</p> <p>3) Foreign service supplier should be a world class operator</p> <p>4) As specified in Horizontal Measures.</p>	

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Sector or subsector	Limitation on market access	Limitation on national treatment	Additional commitments
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 40 ⁴ percent. 4) Natural person for management and technical expert is limited to 20 persons.	1) Unbound 2) Unbound 3) Foreign service supplier should be a world class operator. 4) As specified in Horizontal Measures.	
Domestic: Mobile cellular telephone (CPC 75213)	1) None 2) None 3) Seven operators are now providing service.	1) Unbound 2) Unbound 3) None	

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Sector or subsector	Limitation on market access	Limitation on national treatment	Additional commitments
Domestic: Personal Mobile cellular Communication	<p>Type of legal entity required: Joint venture.</p> <p>Selection of new operators is dependent on availability of frequency and economic needs.</p> <p>Foreign equity participation is limited to 40⁵ percent.</p> <p>4) Natural person for management and technical expert for a JVC is limited to 20 persons.</p> <p>1) None</p> <p>2) None</p> <p>3) New entry only through a joint venture with state-owned company.</p>	<p>4) As specified in Horizontal Measures.</p> <p>1) Unbound</p> <p>2) Unbound</p> <p>3) None</p>	

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Sector or subsector	Limitation on market access	Limitation on national treatment	Additional commitments
Internet Access Services	<p>Selection of new operator is dependent on availability of frequency and economic needs.</p> <p>Foreign equity participation is limited to 40⁶ percent.</p> <p>4) Natural person for management and technical expert for a JVC is limited to 20 persons.</p> <p>1) Until 2005, only through networks of PT Indosat and PT Satelindo for international access.</p> <p>2) None</p> <p>3) More than 30 licenses have been issued.</p>	<p>4) As specified in Horizontal Measures.</p> <p>1) Unbound</p> <p>2) Unbound</p> <p>3) None</p>	

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Sector or subsector	Limitation on market access	Limitation on national treatment	Additional commitments
<p>Domestic: Regional and National Paging Services (CPC 75291)</p>	<p>Type of legal entity required: – Joint venture, or – Joint operation</p> <p>Foreign equity participation is limited to 40 percent.</p> <p>4) Natural person for management and technical expert is limited to 20 persons.</p> <p>1) None</p> <p>2) None</p> <p>3) Currently there are 10 national operators and over 70 local operators.</p> <p>New entrants to be determined by availability of frequency, economic needs and public interest test.</p>	<p>4) As specified in Horizontal Measures.</p> <p>1) Unbound</p> <p>2) Unbound</p> <p>3) None</p>	

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Sector or subsector	Limitation on market access	Limitation on national treatment	Additional commitments
Domestic: Public payphone services	<p>Type of legal entity required:</p> <ul style="list-style-type: none"> - Joint venture, or - Joint operation <p>Foreign equity participation is limited to 40 percent.</p> <p>4) Natural person for management and technical expert for a JVC is limited to 20 persons.</p> <p>1) None</p> <p>2) None</p> <p>3) Provisions and management of terminal equipment for public payphone services are now carried out by several local companies.</p>	<p>4) As specified in Horizontal Measures.</p> <p>1) Unbound</p> <p>2) Unbound</p> <p>3) None</p>	<p>Division of revenue between the payphone operator and PT Telkom is determined by the government.</p>

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Sector or subsector	Limitation on market access	Limitation on national treatment	Additional commitments
	<p>Type of legal entity required:</p> <ul style="list-style-type: none"> - Joint venture, - Joint operation, or - Contract management <p>Foreign equity participation is limited to 40⁷ percent.</p> <p>4) Natural person for management and technical expert is limited to 20 persons.</p>	<p>4) As specified in Horizontal Measures.</p>	
<p>Definitions:</p> <p>“Director”: One group of persons entrusted by the shareholders of a services providing entry 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.</p> <p>“Manager”: Senior employee of a service supplier who primarily directs the management of the organisation, 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 personal actions.</p>			

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<p>“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.</p> <p>“Joint Operation”: 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.</p> <p>“Joint Venture”: A joint venture 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.</p> <p>“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.</p>			
TOURISM SERVICES Hotels (CPC 6411)	1) None 2) None 3) In eastern part of Indonesia, Kalimantan, Bengkulu, Jambi and Sulawesi, and East Nusa Tenggara (NTT) ⁸ , 100% of capital share can be owned by foreign investor.	1) None 2) None 3) a. Higher paid-up capital is required of foreign service suppliers than of domestic service suppliers. This measures will be eliminated in the year 2020. b. Only 3, 4, or 5 starred hotels are permitted	

⁸ Words being bolded and in italics show the improvement of Indonesia’s commitment in tourism for the Final Package.

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<p>Tourist Resort Include</p> <p>– Hotels – Marinas</p>	<p>4) Unbound except for:</p> <p>a) Top management level in hotel business comprised of:</p> <ul style="list-style-type: none"> (i) General Manager (ii) Food and Beverage Manager (iii) Resident Manager (iv) Comptroller (v) Marketing Director <p>b) Highly Skilled Professional comprised of:</p> <ul style="list-style-type: none"> (i) Executive Chef (ii) Sous Chef (iii) Specialty Cook <p>1) None</p> <p>2) None</p>	<p>4) As specified in the Horizontal Measures</p> <p>1) None</p> <p>2) None</p>	

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– Golf Courses and other facilities (CPC 96413)	3) In eastern part of Indonesia, Kalimantan, Bengkulu, Jambi and Sulawesi <i>and East Nusat Tenggara (NTT)</i> ⁹ , 100% of capital share can be owned by foreign investor. 4) Unbound except for Resort Manager.	3) a. Higher paid-up capital is required of foreign service suppliers than of domestic service suppliers. This measures will be eliminated in the year 2020. b. Only 3, 4, or 5 starred hotels are permitted 4) As specified in the Horizontal Measures	
Definitions: <p> “International Hotel Operator”: Is foreign management company operating a hotel or a group of hotels under management contract for a certain period agreed by the owner and the international hotel operator. The management company should be implemented by corporate body which is established in the form of limited liability company subject to the Indonesian Law. </p> <p> “Tourism Consultancy”: Is a service rendered to a company or individuals in tourism project on basis of mutual consent agreed by both parties. The company should be implemented by corporate body which is established in the form of limited liability subject to Indonesian Law. </p> <p> “Starred Hotel”: Is a business which provides accommodation and food and beverages facilities and other services, except casino and other activities prohibited by law, against public moral, religions, security, and public order. </p> <p> “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, religions, and public order. </p>			

⁹ Words being bolded and in italics show the improvement of Indonesia’s commitment in tourism for the Final Package.