

Economy Profile
Indonesia

Doing Business 2020

Comparing Business
Regulation in
190 Economies



WORLD BANK GROUP

Economy Profile of Indonesia

*Doing Business 2020 Indicators
(in order of appearance in the document)*

Starting a business	Procedures, time, cost and paid-in minimum capital to start a limited liability company
Dealing with construction permits	Procedures, time and cost to complete all formalities to build a warehouse and the quality control and safety mechanisms in the construction permitting system
Getting electricity	Procedures, time and cost to get connected to the electrical grid, and the reliability of the electricity supply and the transparency of tariffs
Registering property	Procedures, time and cost to transfer a property and the quality of the land administration system
Getting credit	Movable collateral laws and credit information systems
Protecting minority investors	Minority shareholders' rights in related-party transactions and in corporate governance
Paying taxes	Payments, time, total tax and contribution rate for a firm to comply with all tax regulations as well as postfiling processes
Trading across borders	Time and cost to export the product of comparative advantage and import auto parts
Enforcing contracts	Time and cost to resolve a commercial dispute and the quality of judicial processes
Resolving insolvency	Time, cost, outcome and recovery rate for a commercial insolvency and the strength of the legal framework for insolvency
Employing workers	Flexibility in employment regulation and redundancy cost

About Doing Business

The *Doing Business* project provides objective measures of business regulations and their enforcement across 190 economies and selected cities at the subnational and regional level.

The *Doing Business* project, launched in 2002, looks at domestic small and medium-size companies and measures the regulations applying to them through their life cycle.


Doing Business captures several important dimensions of the regulatory environment as it applies to local firms. It provides quantitative indicators on regulation for starting a business, dealing with construction permits, getting electricity, registering property, getting credit, protecting minority investors, paying taxes, trading across borders, enforcing contracts and resolving insolvency. *Doing Business* also measures features of employing workers. Although *Doing Business* does not present rankings of economies on the employing workers indicators or include the topic in the aggregate ease of doing business score or ranking on the ease of doing business, it does present the data for these indicators.

By gathering and analyzing comprehensive quantitative data to compare business regulation environments across economies and over time, *Doing Business* encourages economies to compete towards more efficient regulation; offers measurable benchmarks for reform; and serves as a resource for academics, journalists, private sector researchers and others interested in the business climate of each economy.

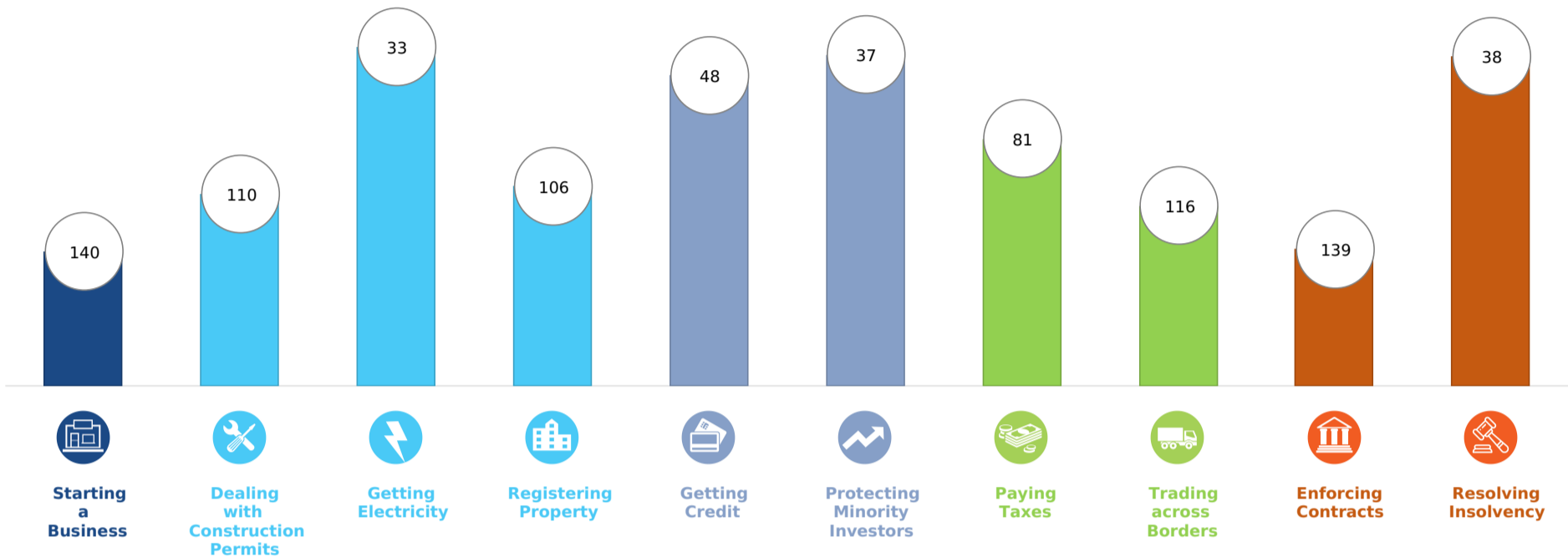
In addition, *Doing Business* offers detailed [subnational studies](#), which exhaustively cover business regulation and reform in different cities and regions within a nation. These studies provide data on the ease of doing business, rank each location, and recommend reforms to improve performance in each of the indicator areas. Selected cities can compare their business regulations with other cities in the economy or region and with the 190 economies that *Doing Business* has ranked.

The first *Doing Business* study, published in 2003, covered 5 indicator sets and 133 economies. This year's study covers 11 indicator sets and 190 economies. Most indicator sets refer to a case scenario in the largest business city of each economy, except for 11 economies that have a population of more than 100 million as of 2013 (Bangladesh, Brazil, China, India, Indonesia, Japan, Mexico, Nigeria, Pakistan, the Russian Federation and the United States) where *Doing Business* also collected data for the second largest business city. The data for these 11 economies are a population-weighted average for the 2 largest business cities. The project has benefited from feedback from governments, academics, practitioners and reviewers. The initial goal remains: to provide an objective basis for understanding and improving the regulatory environment for business around the world.

To learn more about *Doing Business* please visit doingbusiness.org

<p>Ease of Doing Business in Indonesia</p> 	<p>Region East Asia & Pacific</p>	<p>DB RANK</p> <p>73</p>	<p>DB SCORE</p> <p>69.6</p>
	<p>Income Category Lower middle income</p>		
	<p>Population 267,663,435</p>		
	<p>City Covered Jakarta, Surabaya</p>		

Rankings on Doing Business topics - Indonesia



Topic Scores



<p>✓ Starting a Business (rank) 140</p> <p>Score of starting a business (0-100) 81.2</p> <p>Procedures (number) 11</p> <p>Time (days) 13</p> <p>Cost (number) 5.7</p> <p>Paid-in min. capital (% of income per capita) 0.0</p>
<p>Dealing with Construction Permits (rank) 110</p> <p>Score of dealing with construction permits (0-100) 66.8</p> <p>Procedures (number) 18</p> <p>Time (days) 200</p> <p>Cost (% of warehouse value) 4.5</p> <p>Building quality control index (0-15) 13.8</p>
<p>✓ Getting Electricity (rank) 33</p> <p>Score of getting electricity (0-100) 87.3</p> <p>Procedures (number) 4</p> <p>Time (days) 32</p> <p>Cost (% of income per capita) 233.8</p> <p>Reliability of supply and transparency of tariff index (0-8) 6</p>
<p>Registering Property (rank) 106</p> <p>Score of registering property (0-100) 60.0</p> <p>Procedures (number) 6</p> <p>Time (days) 31</p> <p>Cost (% of property value) 8.3</p> <p>Quality of the land administration index (0-30) 15.5</p>

<p>Getting Credit (rank) 48</p> <p>Score of getting credit (0-100) 70.0</p> <p>Strength of legal rights index (0-12) 6</p> <p>Depth of credit information index (0-8) 8</p> <p>Credit registry coverage (% of adults) 30.9</p> <p>Credit bureau coverage (% of adults) 40.4</p>
<p>Protecting Minority Investors (rank) 37</p> <p>Score of protecting minority investors (0-100) 70.0</p> <p>Extent of disclosure index (0-10) 10.0</p> <p>Extent of director liability index (0-10) 5.0</p> <p>Ease of shareholder suits index (0-10) 2.0</p> <p>Extent of shareholder rights index (0-6) 5.0</p> <p>Extent of ownership and control index (0-7) 6.0</p> <p>Extent of corporate transparency index (0-7) 7.0</p>
<p>✓ Paying Taxes (rank) 81</p> <p>Score of paying taxes (0-100) 75.8</p> <p>Payments (number per year) 26</p> <p>Time (hours per year) 191</p> <p>Total tax and contribution rate (% of profit) 30.1</p> <p>Postfiling index (0-100) 68.8</p>

<p>✓ Trading across Borders (rank) 116</p> <p>Score of trading across borders (0-100) 67.5</p> <p><i>Time to export</i></p> <p>Documentary compliance (hours) 61</p> <p>Border compliance (hours) 56</p> <p><i>Cost to export</i></p> <p>Documentary compliance (USD) 139</p> <p>Border compliance (USD) 211</p> <p><i>Time to export</i></p> <p>Documentary compliance (hours) 106</p> <p>Border compliance (hours) 99</p> <p><i>Cost to export</i></p> <p>Documentary compliance (USD) 164</p> <p>Border compliance (USD) 383</p>
<p>✓ Enforcing Contracts (rank) 139</p> <p>Score of enforcing contracts (0-100) 49.1</p> <p>Time (days) 403</p> <p>Cost (% of claim value) 70.3</p> <p>Quality of judicial processes index (0-18) 8.9</p>
<p>Resolving Insolvency (rank) 38</p> <p>Score of resolving insolvency (0-100) 68.1</p> <p>Recovery rate (cents on the dollar) 65.5</p> <p>Time (years) 1.1</p> <p>Cost (% of estate) 21.6</p> <p>Outcome (0 as piecemeal sale and 1 as going concern) 1</p> <p>Strength of insolvency framework index (0-16) 10.5</p>

Starting a Business

This topic measures the number of procedures, time, cost and paid-in minimum capital requirement for a small- to medium-sized limited liability company to start up and formally operate in each economy's largest business city.

To make the data comparable across 190 economies, *Doing Business* uses a standardized business that is 100% domestically owned, has start-up capital equivalent to 10 times the income per capita, engages in general industrial or commercial activities and employs between 10 and 50 people one month after the commencement of operations, all of whom are domestic nationals. Starting a Business considers two types of local limited liability companies that are identical in all aspects, except that one company is owned by 5 married women and the other by 5 married men. The ranking of economies on the ease of starting a business is determined by sorting their scores for starting a business. These scores are the simple average of the scores for each of the component indicators.

The most recent round of data collection for the project was completed in May 2019. [See the methodology for more information.](#)

What the indicators measure	Case study assumptions
<p>Procedures to legally start and formally operate a company (number)</p> <ul style="list-style-type: none"> • Preregistration (for example, name verification or reservation, notarization) • Registration in the economy's largest business city • Postregistration (for example, social security registration, company seal) • Obtaining approval from spouse to start a business or to leave the home to register the company • Obtaining any gender specific document for company registration and operation or national identification card 	<p>To make the data comparable across economies, several assumptions about the business and the procedures are used. It is assumed that any required information is readily available and that the entrepreneur will pay no bribes.</p>
<p>Time required to complete each procedure (calendar days)</p> <ul style="list-style-type: none"> • Does not include time spent gathering information • Each procedure starts on a separate day (2 procedures cannot start on the same day) • Procedures fully completed online are recorded as ½ day • Procedure is considered completed once final document is received • No prior contact with officials 	<p>The business:</p> <ul style="list-style-type: none"> -Is a limited liability company (or its legal equivalent). If there is more than one type of limited liability company in the economy, the limited liability form most common among domestic firms is chosen. Information on the most common form is obtained from incorporation lawyers or the statistical office. -Operates in the economy's largest business city. For 11 economies the data are also collected for the second largest business city. -Performs general industrial or commercial activities such as the production or sale to the public of goods or services. The business does not perform foreign trade activities and does not handle products subject to a special tax regime, for example, liquor or tobacco. It is not using heavily polluting production processes. -Does not qualify for investment incentives or any special benefits. -Is 100% domestically owned. -Has five business owners, none of whom is a legal entity. One business owner holds 30% of the company shares, two owners have 20% of shares each, and two owners have 15% of shares each. -Is managed by one local director. -Has between 10 and 50 employees one month after the commencement of operations, all of them domestic nationals. -Has start-up capital of 10 times income per capita. -Has an estimated turnover of at least 100 times income per capita. -Leases the commercial plant or offices and is not a proprietor of real estate. -Has an annual lease for the office space equivalent to one income per capita. -Is in an office space of approximately 929 square meters (10,000 square feet). -Has a company deed that is 10 pages long.
<p>Cost required to complete each procedure (% of income per capita)</p> <ul style="list-style-type: none"> • Official costs only, no bribes • No professional fees unless services required by law or commonly used in practice 	<p>The owners:</p> <ul style="list-style-type: none"> -Have reached the legal age of majority and are capable of making decisions as an adult. If there is no legal age of majority, they are assumed to be 30 years old. -Are in good health and have no criminal record. -Are married, the marriage is monogamous and registered with the authorities. -Where the answer differs according to the legal system applicable to the woman or man in question (as may be the case in economies where there is legal plurality), the answer used will be the one that applies to the majority of the population.
<p>Paid-in minimum capital (% of income per capita)</p> <ul style="list-style-type: none"> • Funds deposited in a bank or with third party before registration or up to 3 months after incorporation 	

Starting a Business - Jakarta

Standardized Company

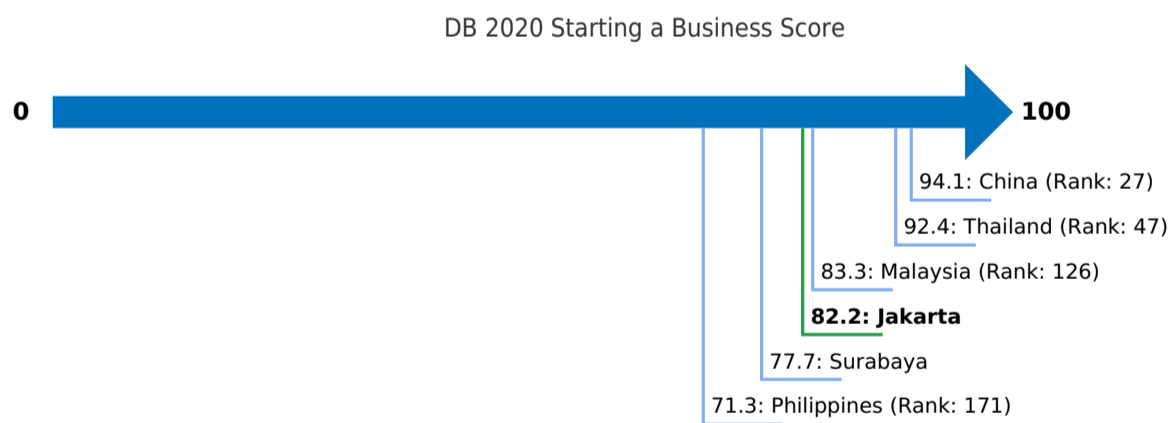
Legal form	Perseroan Terbatas (PT)
Paid-in minimum capital requirement	No minimum
City Covered	Jakarta

Indicator	Jakarta	East Asia & Pacific	OECD high income	Best Regulatory Performance
Procedure - Men (number)	11	6.5	4.9	1 (2 Economies)
Time - Men (days)	10	25.6	9.2	0.5 (New Zealand)
Cost - Men (% of income per capita)	5.7	17.4	3.0	0.0 (2 Economies)
Procedure - Women (number)	11	6.6	4.9	1 (2 Economies)
Time - Women (days)	10	25.7	9.2	0.5 (New Zealand)
Cost - Women (% of income per capita)	5.7	17.4	3.0	0.0 (2 Economies)
Paid-in min. capital (% of income per capita)	0.0	3.5	7.6	0.0 (120 Economies)

Figure - Starting a Business in Jakarta - Score

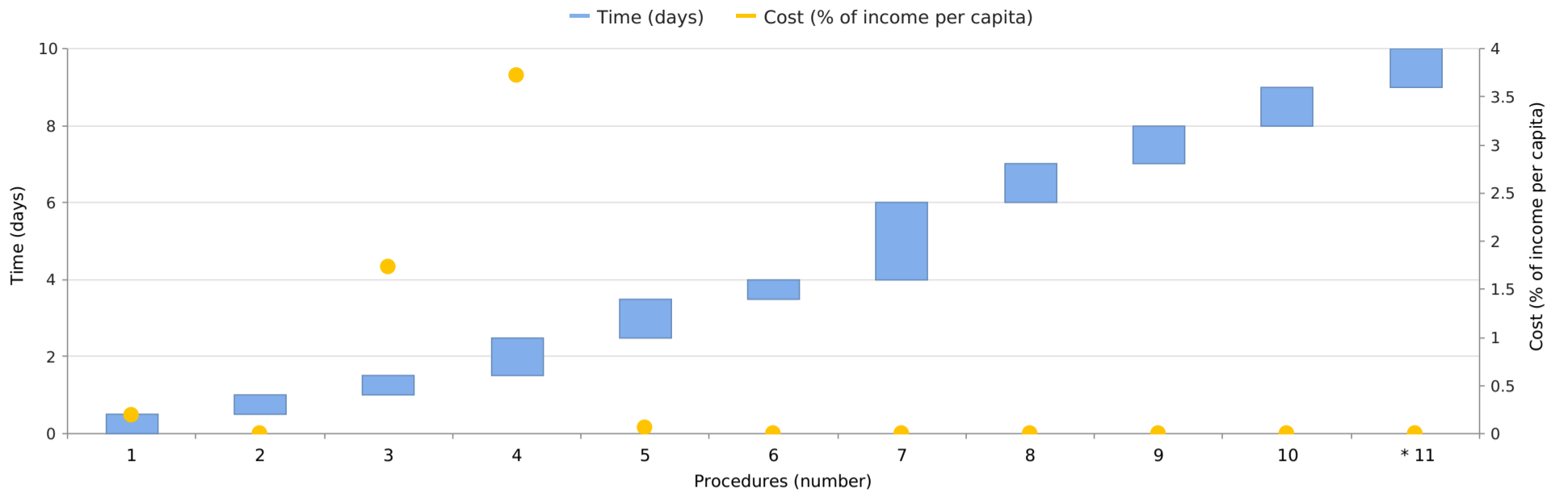


Figure - Starting a Business in Jakarta and comparator economies - Ranking and Score



Note: The ranking of economies on the ease of starting a business is determined by sorting their scores for starting a business. These scores are the simple average of the scores for each of the component indicators.

Figure - Starting a Business in Jakarta - Procedure, Time and Cost



*This symbol is shown beside procedure numbers that take place simultaneously with the previous procedure.

Note: Online procedures account for 0.5 days in the total time calculation. For economies that have a different procedure list for men and women, the graph shows the time for women. For more information on methodology, see the *Doing Business* website (<http://doingbusiness.org/en/methodology>). For details on the procedures reflected here, see the summary below.

Details - Starting a Business in Jakarta - Procedure, Time and Cost

No.	Procedures	Time to Complete	Associated Costs
1	<p>Pay fee for obtaining clearance of company name <i>Agency: Notary</i> The process of company name clearance must be done through a computerized processing system, the reservation and clearance is most commonly done in practice by a notary public. The notary must first pay the fee of IDR 100,000 to obtain clearance for the proposed company name. The payment is made by the notary at an online platform called yap (https://yap.id/).</p>	Less than one day (online procedure)	IDR 100,000
2	<p>Obtain clearance for the company's name at the Ministry of Law and Human Rights <i>Agency: Notary</i> To obtain the clearance for company name, the notary inserts a code online when reserving the company name as proof of payment. The reserved name will be blocked for 60 days. If the founding shareholders are confident that the same name has not been used by another Indonesian company, this procedure is not necessary.</p> <p>The company must not use a name which:</p> <ol style="list-style-type: none"> has been lawfully used by another company or is similar to the name of another company; contravenes public order and/or decency; is identical or similar to the name of a state agency, government agency, or international agency, except with their approval; does not conform to the purposes and objectives and business activities of the company, or only designates the purposes and objectives of the company without having its own name; consists of numbers or a set of figures, a letter or a set of letters that do not form any words; or means a Company, a legal entity, or a civil enterprise (persekutuan perdata). <p>The Ministry of Law and Human Rights may reject a name application reservation if the requested name is, among others, the same or resembles similarities to name of other companies.</p> <p>According to Article 4 of MoLHR Reg. No. 1/2016, an electronic application must be submitted for the use of the company's name to the Ministry of Law and Human Rights ("Minister of MOLHR") through Legal Entity Administration System (Sistem Administrasi Badan Hukum, SABH). Such application shall be performed by filing the Company's Name Application Form which at least contains of the following information:</p> <ol style="list-style-type: none"> payment number of the approval of the use of the company's name; and booked name of the company. <p>The approval of the company's name by the Minister of MOLHR shall be given electronically, as regulated under MoLHR Reg. No.1/2016, which at least contains of the following information:</p> <ol style="list-style-type: none"> booking number of the name of the company; name of the company which may be used; date of booking; expiry date; and payment code. 	Less than one day (online procedure)	included in procedure 3
3	<p>Pay the non-tax state revenue (PNBP) fees for legal services <i>Agency: Notary</i> The requirement to pay the non-tax state revenue fee (Penerimaan Negara Bukan Pajak, PNBP) for legal services in relation to the establishment of a company (PT) is established by Schedule 1 of the Government Regulation No. 45 of 2016. The payment is made by the notary at an online platform called yap (https://yap.id/).</p> <p>The cost breakdown is as follows (as determined by Regulation No. 8 of 2018 of the Ministry of Law and Human Rights of the Republic of Indonesia):</p> <ul style="list-style-type: none"> - 500,000 IDR for validation of company as legal entity; - 430,000 IDR for publication in State Gazette and publication in the Supplement State Gazette. 	Less than one day (online procedure)	IDR 500,000 (validation of company as legal entity) + IDR 430,000 (publication)
4	<p>Arrange for a notary to obtain the standard form of the company deed and notarize company documents <i>Agency: Notary</i> The notary must obtain the standard form for the company deed, which the business founders will complete and review according to the provisions agreed by them. The notary will then notarize the company documents (notarial deed, also known as the deed of establishment, and articles of association).</p> <p>Per Regulation No. 8 of 2018 of the Ministry of Law and Human Rights of the Republic of Indonesia, the notary fees for preparation and notarization of company documents are:</p> <ul style="list-style-type: none"> - IDR 500,000 for companies with a capital of up to IDR 25 million; - IDR 2 million, for companies with a capital of up to 500 million; and - IDR 4 million for companies with a capital up to IDR 1 billion. 	1 day	see procedure details
5	<p>Make a company seal <i>Agency: Seal maker</i> Even if company stamps are not legally required in Jakarta, companies need to stamp all applications. Institutions will not receive and approve any documents without the stamp of the company.</p>	1 day	IDR 30,000

6	<p>Apply to the Ministry of Law and Human Rights for approval of the deed of establishment <i>Agency</i> : Ministry of Law and Human Rights Based on Articles 9, 10, 29 and 30 Indonesian Company Law No. 40 year 2007, the application for approval of Ministry of Law and Human Rights (the "Ministry of Law") on establishment of company can be filed electronically by attaching with the certificate of bank account and a copy of the relevant bank transmittal advice. The process is as follows:</p> <ul style="list-style-type: none"> • The application should be filled at the latest 60 days since the date of establishment deed; • Since the application has already fulfilled, the Ministry of Law directly electronically stated no objection on said application. However, if the application is not fulfilled, the Ministry of Law will directly electronically state his objection on said application; • in 30 days since the date of no objection by Ministry of Law, the applicant should submit the original application and supporting documents; • 14 days after fulfillment of above requirements, Ministry of Law will issue the legalization on the establishment of the company; • Data of company which its establishment has been approved by Ministry of Law i.e. name, domicile, object and purpose, period, Capital Company will be inserted into Company Registry. • The Ministry of Law will announce the establishment of company in Supplement State Gazette (TBNRI) within 14 days of the Ministry's Approval Letter. <p>As of March 2014, the Ministry of Law and Human Rights issues the approval of the deed of establishment electronically.</p>	Less than one day (online procedure)	included in procedure 6
7	<p>Apply for the Certificate of Company Domicile <i>Agency</i> : Municipality The business founders must obtain a certificate of company domicile. This certificate is issued by the head of the village (the Lurah) where the company is located or by the building management if office space is leased. There is no official fee for this certificate.</p>	2 days	no charge
8	<p>Apply for the single business number (NIB) <i>Agency</i> : One Stop Integrated Service Body of SKI Jakarta Provincial Government - Ministry of Trade The permanent business trading license (Surat Izin Usaha Perdagangan, SIUP) and the company registration certificate (Tanda Daftar Perusahaan, TDP) have been replaced in July 2018 by a single certificate, the single business number (NIB). Companies register for the NIB using the new Electronic Integrated Business Licensing Services (Online Single Submission (OSS) portal) which became operational on 9 July 2018.</p>	1 day	no charge
9	<p>Register with the Ministry of Manpower <i>Agency</i> : Ministry of Manpower Per Article 6 of the Law No.7 of 1981 concerning Mandatory Labor Affairs Report, the company shall submit a labor report to the Ministry of Manpower and Transmigration ("Minister of Manpower") or the appointed officer within a period of no more than 30 days as of the establishment of the company. Such report shall contain the following information:</p> <ol style="list-style-type: none"> a. company identification; b. manpower relation; c. manpower protection; and d. employment opportunity. <p>The labor report is submitted online via www.wajiblapor.kemnaker.go.id. The ratification of the registration of the mandatory labor affairs report is performed within a period of 1 working day as of the receipt of complete application.</p>	1 day	no charge

10	<p>Apply for the Workers Social Security Program (BPJS Ketenagakerjaan) and for the Healthcare Insurance Program (BPJS Kesehatan) <i>Agency</i> : Social Security Administrative Bodies (BPJS Ketenagakerjaan, BPJS Kesehatan) The company's employees must be registered with two Social Security Programs (Badan Penyelenggara Jaminan Sosial, BPJS), the Workers Social Security Program (BPJS Ketenagakerjaan) and the Healthcare Insurance Program (BPJS Kesehatan).</p> <p>The Workers Social Security Program (BPJS Ketenagakerjaan) covers occupational accident security, old age security, pension security, as well as death security. Employers must participate as follows: (i) Big and medium scale business: participate in programs including occupational accident security, old age security, pension security, and death security program; (ii) Small businesses participate in programs including occupational accident security, old age security, and death security program; and (iii) Micro businesses participate in programs including occupational accident security and death security.</p> <p>Employees must also be registered with the Healthcare Insurance program (BPJS Kesehatan), which requires the submission of the following information: name; date of birth; name of the health service provider selected by the employee; and other personal information, including: family member(s), who will be covered by the health insurance program and salary information.</p> <p>A joint application for both Social Security Programs can be submitted online at www.bpjs.go.id, using a form available at website. An electronic certificate is provided in 1 day. The applicant will also receive by post the membership card and certificate of registration.</p>	1 day	no charge
⇒ 11	<p>Obtain a taxpayer registration number (NPWP) and a VAT collector number (NPPKP) <i>Agency</i> : Tax Office</p> <p>It is necessary to register with the tax authorities and obtain a VAT collector number (Nomor Pokok Pengusaha Kena Pajak, NPPKP) and a taxpayer registration number (Nomor Pokok Wajib Pajak, NPWP). An application can be submitted at the relevant tax office where the company is located or online through http://www.pajak.go.id. To apply online, one must register at the website as a taxpayer and follow the procedures therein, by filling the form and attaching copies of the following:</p> <ul style="list-style-type: none"> - Deed of establishment - Identity card (KTP) of one of active Director - Statement letter regarding confirmation on place of business from one of the active Director (form is provided). <p>The NPPKP is provided online and the NPWP card and Registered Statement Letter is obtained within 1 calendar day upon the filing of the required document and without and fee, charge and/or retribution. The NPWP can be either collected at the tax office or received by post.</p>	1 day (simultaneous with previous procedure)	no charge

⇒ Takes place simultaneously with previous procedure.

Starting a Business - Surabaya

Standardized Company

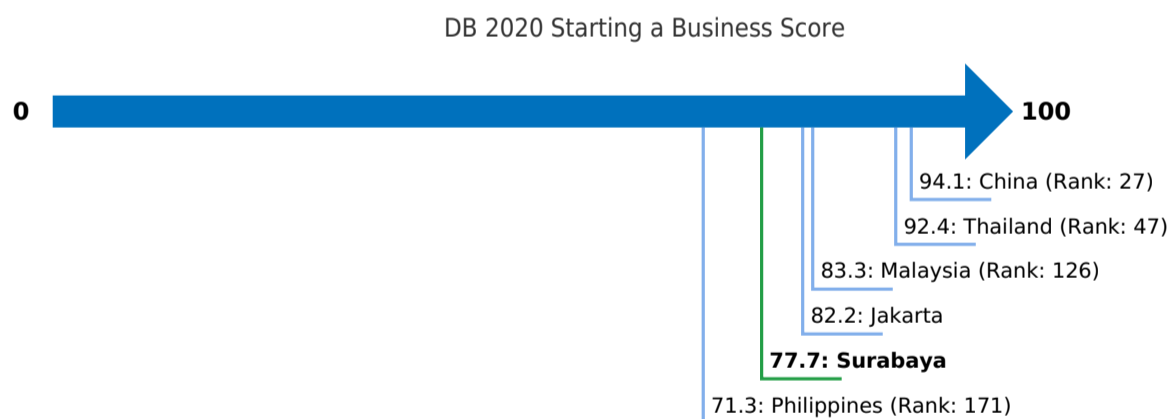
Legal form	Perseroan Terbatas (PT)
Paid-in minimum capital requirement	No minimum
City Covered	Surabaya

Indicator	Surabaya	East Asia & Pacific	OECD high income	Best Regulatory Performance
Procedure - Men (number)	12	6.5	4.9	1 (2 Economies)
Time - Men (days)	22	25.6	9.2	0.5 (New Zealand)
Cost - Men (% of income per capita)	5.7	17.4	3.0	0.0 (2 Economies)
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Paid-in min. capital (% of income per capita)	0.0	3.5	7.6	0.0 (120 Economies)

Figure - Starting a Business in Surabaya - Score

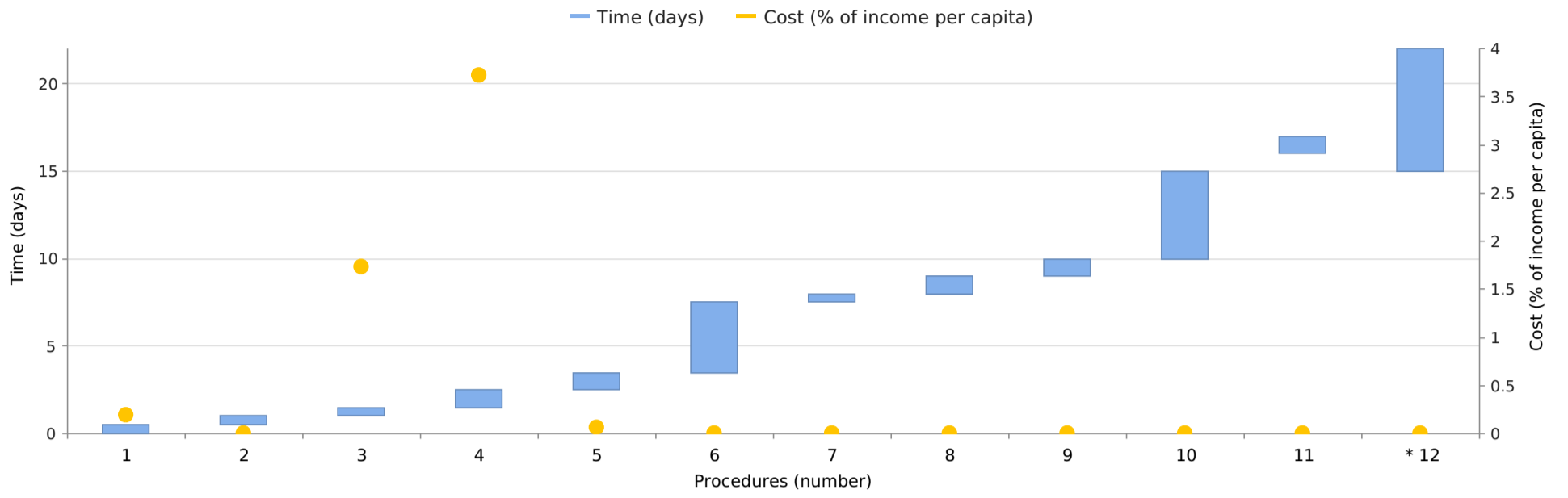


Figure - Starting a Business in Surabaya and comparator economies - Ranking and Score



Note: The ranking of economies on the ease of starting a business is determined by sorting their scores for starting a business. These scores are the simple average of the scores for each of the component indicators.

Figure - Starting a Business in Surabaya - Procedure, Time and Cost



*This symbol is shown beside procedure numbers that take place simultaneously with the previous procedure.

Note: Online procedures account for 0.5 days in the total time calculation. For economies that have a different procedure list for men and women, the graph shows the time for women. For more information on methodology, see the *Doing Business* website (<http://doingbusiness.org/en/methodology>). For details on the procedures reflected here, see the summary below.

Details - Starting a Business in Surabaya - Procedure, Time and Cost

No.	Procedures	Time to Complete	Associated Costs
1	<p>Pay fee for obtaining clearance of company name <i>Agency: Notary</i> The process of company name clearance must be done through a computerized processing system, the reservation and clearance is most commonly done in practice by a notary public. The notary must first pay the fee of IDR 100,000 to obtain clearance for the proposed company name. The payment is made by the notary at an online platform called yap (https://yap.id/).</p>	Less than one day (online procedure)	IDR 100,000
2	<p>Obtain clearance for the company's name at the Ministry of Law and Human Rights <i>Agency: Notary</i> To obtain the clearance for company name, the notary inserts a code online when reserving the company name as proof of payment. The reserved name will be blocked for 60 days. If the founding shareholders are confident that the same name has not been used by another Indonesian company, this procedure is not necessary.</p> <p>The company must not use a name which:</p> <ol style="list-style-type: none"> has been lawfully used by another company or is similar to the name of another company; contravenes public order and/or decency; is identical or similar to the name of a state agency, government agency, or international agency, except with their approval; does not conform to the purposes and objectives and business activities of the company, or only designates the purposes and objectives of the company without having its own name; consists of numbers or a set of figures, a letter or a set of letters that do not form any words; or means a Company, a legal entity, or a civil enterprise (persekutuan perdata). <p>The Ministry of Law and Human Rights may reject a name application reservation if the requested name is, among others, the same or resembles similarities to name of other companies.</p> <p>According to Article 4 of MoLHR Reg. No. 1/2016, an electronic application must be submitted for the use of the company's name to the Ministry of Law and Human Rights ("Minister of MOLHR") through Legal Entity Administration System (Sistem Administrasi Badan Hukum, SABH). Such application shall be performed by filing the Company's Name Application Form which at least contains of the following information:</p> <ol style="list-style-type: none"> payment number of the approval of the use of the company's name; and booked name of the company. <p>The approval of the company's name by the Minister of MOLHR shall be given electronically, as regulated under MoLHR Reg. No.1/2016, which at least contains of the following information:</p> <ol style="list-style-type: none"> booking number of the name of the company; name of the company which may be used; date of booking; expiry date; and payment code. 	Less than one day (online procedure)	included in procedure 1
3	<p>Pay the non-tax state revenue (PNBP) fees for legal services <i>Agency: Notary</i> The requirement to pay the non-tax state revenue fee (Penerimaan Negara Bukan Pajak, PNBP) for legal services in relation to the establishment of a company (PT) is established by Schedule 1 of the Government Regulation No. 45 of 2016. The payment is made by the notary at an online platform called yap (https://yap.id/).</p> <p>The cost breakdown is as follows (as determined by Regulation No. 8 of 2018 of the Ministry of Law and Human Rights of the Republic of Indonesia):</p> <ul style="list-style-type: none"> - 500,000 IDR for validation of company as legal entity; - 430,000 IDR for publication in State Gazette and publication in the Supplement State Gazette. 	Less than one day (online procedure)	IDR 500,000 (validation of company as legal entity) + IDR 430,000 (publication)
4	<p>Arrange for a notary to obtain the standard form of the company deed and notarize company documents <i>Agency: Notary</i> The notary must obtain the standard form for the company deed, which the business founders will complete and review according to the provisions agreed by them. The notary will then notarize the company documents (notarial deed, also known as the deed of establishment, and articles of association).</p> <p>Per Regulation No. 8 of 2018 of the Ministry of Law and Human Rights of the Republic of Indonesia, the notary fees for preparation and notarization of company documents are:</p> <ul style="list-style-type: none"> - IDR 500,000 for companies with a capital of up to IDR 25 million; - IDR 2 million, for companies with a capital of up to 500 million; and - IDR 4 million for companies with a capital up to IDR 1 billion. <p>However, in Surabaya the fee may vary depending on the agreement between notary and client.</p>	1 day	see procedure details

5	<p>Make a company seal <i>Agency</i> : Seal Maker Even if company stamps are not legally required in Surabaya, companies need to stamp all applications. Institutions will not receive and approve any documents without the stamp of the company.</p>	1 day	IDR 30,000
6	<p>Apply for the Certificate of Company Domicile <i>Agency</i> : Municipality The business founders must obtain a certificate of company domicile. This certificate has to be signed by RT (neighborhood association), RW (community groups) and the head of the village (the Lurah) where the company is located or by the building management if office space is leased.</p> <p>There is no official fee for this certificate.</p>	4 days	no charge
7	<p>Apply to the Ministry of Law and Human Rights for approval of the deed of establishment <i>Agency</i> : Ministry of Law and Human Rights Based on Articles 9, 10, 29 and 30 Indonesian Company Law No. 40 year 2007, the application for approval of Ministry of Law and Human Rights (the "Ministry of Law") on establishment of company can be filed electronically by attaching with the certificate of bank account and a copy of the relevant bank transmittal advice. The process is as follows:</p> <ul style="list-style-type: none"> • The application should be filled at the latest 60 days since the date of establishment deed; • Since the application has already fulfilled, the Ministry of Law directly electronically stated no objection on said application. However, if the application is not fulfilled, the Ministry of Law will directly electronically state his objection on said application; • in 30 days since the date of no objection by Ministry of Law, the applicant should submit the original application and supporting documents; • 14 days after fulfillment of above requirements, Ministry of Law will issue the legalization on the establishment of the company; • Data of company which its establishment has been approved by Ministry of Law i.e. name, domicile, object and purpose, period, Capital Company will be inserted into Company Registry. • The Ministry of Law will announce the establishment of company in Supplement State Gazette (TBNRI) within 14 days of the Ministry's Approval Letter. <p>As of March 2014, the Ministry of Law and Human Rights issues the approval of the deed of establishment electronically.</p>	Less than one day (online procedure)	included in procedure 3
8	<p>Apply for the single business number (NIB) <i>Agency</i> : Online Single Submission (OSS) portal Companies register for the single business number (NIB) using the new Electronic Integrated Business Licensing Services (Online Single Submission (OSS) portal) which became operational on 9 July 2018.</p>	1 day	No charge
9	<p>Obtain a taxpayer registration number (NPWP) and a Value Added Tax (VAT) collector number (NPPKP) from the local Tax Office <i>Agency</i> : Tax Office It is necessary to register with the tax authorities and obtain a VAT collector number (Nomor Pokok Pengusaha Kena Pajak, NPPKP) and a taxpayer registration number (Nomor Pokok Wajib Pajak, NPWP). An application can be submitted at the relevant tax office where the company is located or online through http://www.pajak.go.id. To apply online, one must register at the website as a taxpayer and follow the procedures therein, by filling the form and attaching copies of the following:</p> <ul style="list-style-type: none"> - Deed of establishment - Identity card (KTP) of one of active Director - Statement letter regarding confirmation on place of business from one of the active Director (form is provided). <p>For online applications for the NPPKP and NPWP, the applicant must provide the hard copies of documents and visit the Tax Office to pick up the NPWP card. In practice, unofficial fees may apply and range from IDR 50,000 to IDR 300,000 for the technical surveyor.</p>	1 day	no charge

10	Apply for the permanent business trading license (Surat Izin Usaha Perdagangan, SIUP) and the company registration certificate (Tanda Daftar Perusahaan, TDP)	5 days	no charge
	<p><i>Agency</i>: One Stop Shop (UPTSA)</p> <p>A trading license (Surat Izin Usaha Perdagangan, SIUP) and a registration certificate (Tanda Daftar Perusahaan, TDP) must be obtained for a new company. The trading license is the business license for a non-facility companies engaging in trading business. It contains details about the company activities and the person in charge of the company (normally the President Director). The Ministry of Trade, which issues the SIUP for a non-facility company, may require a letter of good conduct from the Indonesian police in support of the person in charge of the company.</p> <p>After reviewing the application, the Municipality passes it to the technical agency at the regional office for cooperatives for further review. A signature of the head of the regional office as the authority is necessary. Normally, the following copy of documents should be attached for the application for a SIUP:</p> <ul style="list-style-type: none"> • The articles of association (copy). • An attestation of location and address of the company's offices. • Identity card of the company President Director. • Letter of approval from the Ministry of Law and Human Rights. • Copy of NPWP. <p>The registration certificate (TDP) must be obtained by any new company and it certifies that the company has been duly registered with the Companies Registry. As of July 2017, the application for SIUP and TDP have merged into one application in Surabaya. The Investment and One-Stop Shop Agency (UPTSA) for Surabaya has the authority to review the application and issue the documents. An application can be submitted either online or in person and the hard copies of the certificates are provided at the One-Stop Shop.</p>		
11	Register with the Ministry of Manpower	1 day	no charge
	<p><i>Agency</i>: Ministry of Manpower</p> <p>Per Article 6 of the Law No.7 of 1981 concerning Mandatory Labor Affairs Report, the company shall submit a labor report to the Ministry of Manpower and Transmigration ("Minister of Manpower") or the appointed officer within a period of no more than 30 days as of the establishment of the company. Such report shall contain the following information:</p> <ol style="list-style-type: none"> a. company identification; b. manpower relation; c. manpower protection; and d. employment opportunity. <p>The labor report is submitted online via www.wajiblapor.kemnaker.go.id. The ratification of the registration of the mandatory labor affairs report is performed within a period of 1 working day as of the receipt of complete application.</p>		
⇒ 12	Apply for the Workers Social Security Program (BPJS Ketenagakerjaan) and for the Healthcare Insurance Program (BPJS Kesehatan)	7 days (simultaneous with previous procedure)	no charge
	<p><i>Agency</i>: Social Security Administrative Bodies (BPJS Ketenagakerjaan, BPJS Kesehatan)</p> <p>The company's employees must be registered with two Social Security Programs (Badan Penyelenggara Jaminan Sosial, BPJS), the Workers Social Security Program (BPJS Ketenagakerjaan) and the Healthcare Insurance Program (BPJS Kesehatan).</p> <p>The Workers Social Security Program (BPJS Ketenagakerjaan) covers occupational accident security, old age security, pension security, as well as death security. Employers must participate as follows: (i) Big and medium scale business: participate in programs including occupational accident security, old age security, pension security, and death security program; (ii) Small businesses participate in programs including occupational accident security, old age security, and death security program; and (iii) Micro businesses participate in programs including occupational accident security and death security.</p> <p>Employees must also be registered with the Healthcare Insurance program (BPJS Kesehatan), which requires the submission of the following information: name; nate of birth; name of the health service provider selected by the employee; and other personal information, including: family member(s), who will be covered by the health insurance program and salary information.</p> <p>A joint application for both Social Security Programs can be submitted online at www.bpjs.go.id, using a form available at website. An electronic certificate is provided in 1 day. The applicant will also receive by post the membership card and certificate of registration.</p>		

⇒Takes place simultaneously with previous procedure.

Dealing with Construction Permits

This topic tracks the procedures, time and cost to build a warehouse—including obtaining necessary the licenses and permits, submitting all required notifications, requesting and receiving all necessary inspections and obtaining utility connections. In addition, the Dealing with Construction Permits indicator measures the building quality control index, evaluating the quality of building regulations, the strength of quality control and safety mechanisms, liability and insurance regimes, and professional certification requirements. The most recent round of data collection was completed in May 2019. [See the methodology for more information](#)

What the indicators measure

Procedures to legally build a warehouse (number)

- Submitting all relevant documents and obtaining all necessary clearances, licenses, permits and certificates
- Submitting all required notifications and receiving all necessary inspections
- Obtaining utility connections for water and sewerage
- Registering and selling the warehouse after its completion

Time required to complete each procedure (calendar days)

- Does not include time spent gathering information
- Each procedure starts on a separate day—though procedures that can be fully completed online are an exception to this rule
- Procedure is considered completed once final document is received
- No prior contact with officials

Cost required to complete each procedure (% of income per capita)

- Official costs only, no bribes

Building quality control index (0-15)

- Quality of building regulations (0-2)
- Quality control before construction (0-1)
- Quality control during construction (0-3)
- Quality control after construction (0-3)
- Liability and insurance regimes (0-2)
- Professional certifications (0-4)

Case study assumptions

To make the data comparable across economies, several assumptions about the construction company, the warehouse project and the utility connections are used.

The construction company (BuildCo):

- Is a limited liability company (or its legal equivalent) and operates in the economy's largest business city. For 11 economies the data are also collected for the second largest business city.
- Is 100% domestically and privately owned; has five owners, none of whom is a legal entity. Has a licensed architect and a licensed engineer, both registered with the local association of architects or engineers. BuildCo is not assumed to have any other employees who are technical or licensed experts, such as geological or topographical experts.
- Owns the land on which the warehouse will be built and will sell the warehouse upon its completion.

The warehouse:

- Will be used for general storage activities, such as storage of books or stationery.
- Will have two stories, both above ground, with a total constructed area of approximately 1,300.6 square meters (14,000 square feet). Each floor will be 3 meters (9 feet, 10 inches) high and will be located on a land plot of approximately 929 square meters (10,000 square feet) that is 100% owned by BuildCo, and the warehouse is valued at 50 times income per capita.
- Will have complete architectural and technical plans prepared by a licensed architect. If preparation of the plans requires such steps as obtaining further documentation or getting prior approvals from external agencies, these are counted as procedures.
- Will take 30 weeks to construct (excluding all delays due to administrative and regulatory requirements).

The water and sewerage connections:

- Will be 150 meters (492 feet) from the existing water source and sewer tap. If there is no water delivery infrastructure in the economy, a borehole will be dug. If there is no sewerage infrastructure, a septic tank in the smallest size available will be installed or built.
- Will have an average water use of 662 liters (175 gallons) a day and an average wastewater flow of 568 liters (150 gallons) a day. Will have a peak water use of 1,325 liters (350 gallons) a day and a peak wastewater flow of 1,136 liters (300 gallons) a day.
- Will have a constant level of water demand and wastewater flow throughout the year; will be 1 inch in diameter for the water connection and 4 inches in diameter for the sewerage connection.

Dealing with Construction Permits - Jakarta

Standardized Warehouse

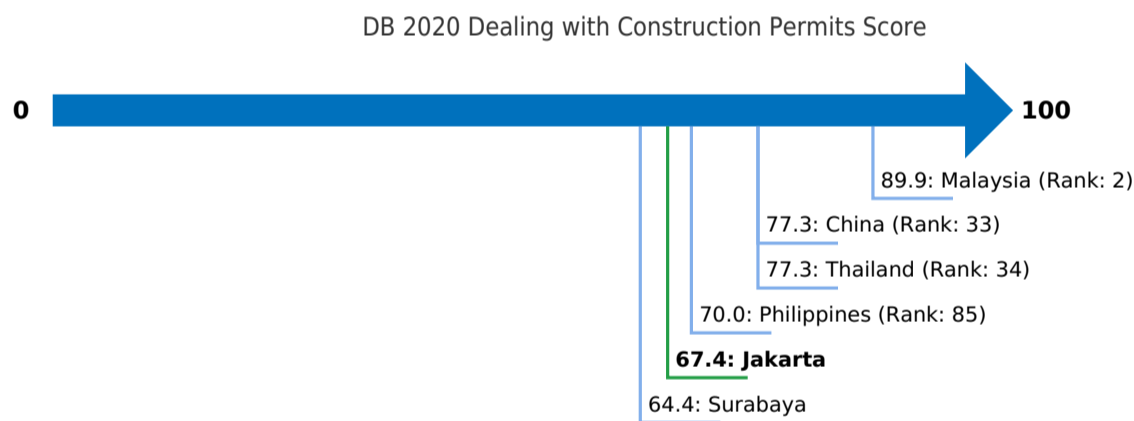
Estimated value of warehouse	IDR 2,688,509,881.60
City Covered	Jakarta

Indicator	Jakarta	East Asia & Pacific	OECD high income	Best Regulatory Performance
Procedures (number)	18	14.8	12.7	None in 2018/19
Time (days)	191	132.3	152.3	None in 2018/19
Cost (% of warehouse value)	4.8	3.2	1.5	None in 2018/19
Building quality control index (0-15)	14.0	9.4	11.6	15.0 (6 Economies)

Figure - Dealing with Construction Permits in Jakarta - Score

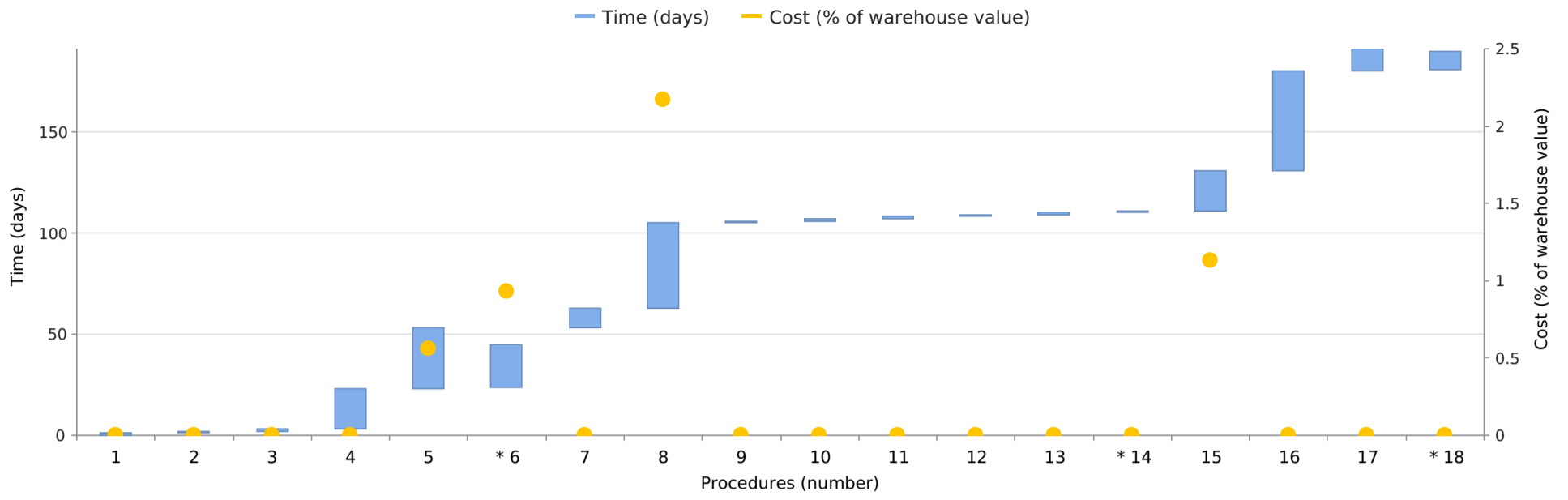


Figure - Dealing with Construction Permits in Jakarta and comparator economies - Ranking and Score



Note: The ranking of economies on the ease of dealing with construction permits is determined by sorting their scores for dealing with construction permits. These scores are the simple average of the scores for each of the component indicators.

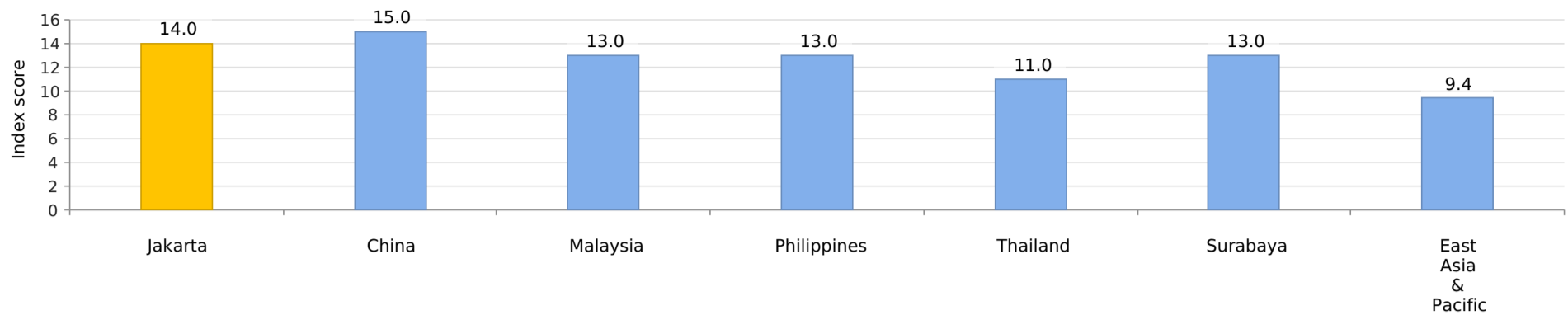
Figure - Dealing with Construction Permits in Jakarta - Procedure, Time and Cost



*This symbol is shown beside procedure numbers that take place simultaneously with the previous procedure.

Note: Online procedures account for 0.5 days in the total time calculation. For economies that have a different procedure list for men and women, the graph shows the time for women. For more information on methodology, see the *Doing Business* website (<http://doingbusiness.org/en/methodology>). For details on the procedures reflected here, see the summary below.

Figure - Dealing with Construction Permits in Jakarta and comparator economies - Measure of Quality



Details - Dealing with Construction Permits in Jakarta - Procedure, Time and Cost

No.	Procedures	Time to Complete	Associated Costs
1	<p>Request and obtain notarized copy of land ownership certificate <i>Agency: Notary</i> BuildCo must notarize a copy of the land ownership certificate before applying for the building permit.</p>	1 day	IDR 25,000
2	<p>Request city planning permit (KRK) and approval of the architectural drawing Pengesahan Gambar Perencanaan Arsitektur (formerly known as building site plan - RTL) from City Planning Office <i>Agency: Investment and One-Stop Services Department within the One-Stop Integrated Service Agency (Badan Pelayanan Terpadu Satu Pintu/BPTSP)</i> BuildCo must submit a completed application form, along with the following documentation to the City Planning Office at the One-Stop Integrated Service Agency (Badan Pelayanan Terpadu Satu Pintu/BPTSP) in order to obtain the city planning permit (KRK):</p> <ol style="list-style-type: none"> 1. The application form signed by the authorized representative of the BuildCo; 2. A copy of land ownership certificate (which has been notarized); 3. A copy of the latest payment receipt for land and building tax; 4. A copy of the identity card (KTP/Driving License) of the authorized representative of the applicant; 5. A copy of the deed of establishment of the BuildCo and its amendments (if any); 6. A power of attorney (as necessary). <p>The city planning official at the BPTSP will examine the application and will conduct a land situation measurement (the procedural details of which are elaborated in the next section below).</p> <p>The KRK is a statement that contains planning information about the plot of land that BuildCo intends to build the warehouse on. The KRK also includes a city planning map scale (1:1000) signed by the Head of Jakarta City Planning Office. The city planning map covers information on:</p> <ol style="list-style-type: none"> a. Building setback (GSB) - the borders within which BuildCo is allowed to construct the building b. Road border lines (GSJ) - the borders of the front yard or block borders or road control borders c. Land use plan - explanation about the benefits of the land d. Type of building e. Height of building in terms of floors/storey f. Floor area ratio (FAR/KLB) - the multiplication figure used to calculate the total area of building that is permitted g. Building coverage (KDB) h. Blocking - the arrangement of city spaces on certain lanes governing the length and width of the piece of land for which the city planning permit is being applied for <p>BuildCo must also request approval of the architectural drawings Pengesahan Gambar Perencanaan Arsitektur (formerly known as building site plan - RTL) from the City Planning Office. This plan outlines the exact position of the building on the city planning map and contains the following information (some of which is already contained on the city planning map previously):</p> <ol style="list-style-type: none"> a. Building setback (GSB) - the borders within which BuildCo is allowed to construct the building b. Road border lines (GSJ) - the borders of the front yard or block borders or road control borders c. Building trace form and location d. Building usage e. Height of building, including KDB (building coverage) and KLB (floor area) f. Building cuts g. Parking lot h. Kelzar circulation/entry of vehicles <p>BuildCo pays for printing situation maps, usually five at a cost of IDR 12,000 each, as part of the spatial planning service.</p>	1 day	IDR 60,000

3	<p>Receive inspection from City Planning Office</p> <p><i>Agency</i> : Investment and One-Stop Services Department within the One-Stop Integrated Service Agency (Badan Pelayanan Terpadu Satu Pintu/BPTSP)</p> <p>The City Planning Office inspects the site to measure the pland situation and plant the marks on the borders of the building. For this purpose, a Decision Letter on Regional Levy (Surat Ketetapan Retribusi Daerah or "SKRD") will be issued.</p>	1 day	no charge
4	<p>Obtain KRK and Pengesahan Gambar Perencanaan Arsitektur (formerly known as RTLB) from City Planning Office</p> <p><i>Agency</i> : Investment and One-Stop Services Department within the One-Stop Integrated Service Agency (Badan Pelayanan Terpadu Satu Pintu/BPTSP)</p> <p>After the inspection, the application is forwarded to different offices within the City Planning Office for approval. The location officer, the roads officer and the architectural officer approve the application and will prepare the land measurement letter. When the internal procedure is completed, the builder is notified (by phone, mail or electronically) and can pick up the KRK. The recommendation letter includes the documents listed previously.</p>	20 days	no charge
5	<p>Request and obtain the preparation of the Environmental Management Plan (UKL) and Environmental Monitoring Plan (UPL)</p> <p><i>Agency</i> : External Consultant</p> <p>Prior to obtaining a UKL-UPL, BuildCo must obtain the KRK and Pengesahan Gambar Perencanaan Arsitektur (formerly known as building site plan - RTLB). BuildCo hires an external consultant that will prepare the Environmental Management Plan (UKL) and Environmental Monitoring Plan (UPL). When they are ready, BuildCo will submit the documents to the relevant mayor or regent, governor of the DKI Jakarta province, or the Minister of Environment, depending on the location of the activities, to obtain a UKL-UPL recommendation.</p>	30 days	IDR 15,000,000
⇒ 6	<p>Obtain a soil test</p> <p><i>Agency</i> : Private engineering firm</p> <p>BuildCo will request a soil test for the structural calculations for the foundation.</p>	21 days	IDR 25,000,000
7	<p>Request and obtain the approval of the Environmental Management Plan (UKL) and Environmental Monitoring Plan (UPL)</p> <p><i>Agency</i> : Investment and One-Stop Services Department within the One-Stop Integrated Service Agency (Badan Pelayanan Terpadu Satu Pintu/BPTSP)</p> <p>The legal basis for this procedure is:</p> <ul style="list-style-type: none"> • Law No. 32 of 2009 regarding the Environment • Decision of the Minister of the Environment No 86 of 2002 on Implementation of UKL and UPL 	10 days	no charge

8	<p>Request and obtain building construction permit (IMB)</p> <p><i>Agency</i> : Investment and One-Stop Services Department within the One-Stop Integrated Service Agency (Badan Pelayanan Terpadu Satu Pintu/BPTSP)</p> <p>When BuildCo has the complete set of documents (see below) and the application is submitted, the Supervision and Control Office will conduct an inspection. Given that the plot where the warehouse will be built is empty, no representative from BuildCo needs to be present. Officials will only verify that the plot is vacant.</p> <p>The legal basis for this procedure is:</p> <ul style="list-style-type: none"> • Regulation of the Head of the Local Building Supervision and Control (P2B) Office No. 21 Year 2009, Annex I point I.b • The legal basis for the time to complete this step is 15 days working days pursuant to Regulation 129 of 2012. <p>The supporting documents required are:</p> <ul style="list-style-type: none"> • Photocopy of the ID Card • Photocopy of the Land Certificate (notarized) • Land use permit (SIPPT) • KRK and Pengesahan Gambar Perencanaan Arsitektur (formerly known as building site plan - RTLb) (description and map of the city, including the complete plan of the building) obtained from the City Planning Office • Architectural, structural, mechanical and electrical as-built drawings (4 sets) • Results of soil investigation (4 sets) • Photocopy of the license to operate as a Building Planner • Photocopy of the license of the supervising director • Photocopy of the license of the architect, the structural engineer, the mechanical engineer and the electrical engineer who prepare the drawings • Statement of uncontested ownership of the land for which IMB is applied • Company's Deed of Establishment • Company's tax ID (NPWP) • Completed Application Form • Receipt of UKL-UPL or UKL-UPL •Recommendation from the BPLHD • Copy of evidence of tax payment for the most current year • Budget plan (if required) <p>The Building Supervision and Control Office has 4 different teams that review the architectural, structural, mechanical and electrical drawings. The application is first reviewed by TPAK (the team that reviews the architectural drawings). This can take 3-4 weeks. The application is then forwarded to TPKB (team that reviews the structural drawings) and in parallel to TPIB (team that reviews the mechanical, electrical and plumbing drawings). This also takes about 3-4 weeks on average.</p> <p>According to Bylaw No. 3 on Building Tariff Rates of October 2012, the permit fee is calculated as follows:</p> $RPP = L \times It \times HSbg = 1,300.6 \times 2.1 \times 25,000$ <ul style="list-style-type: none"> • L = area of the building (1,300.6 sq. m) • It = index that is calculated as follows: $lkg \times lf \times lk \times lw \times lpt$ where $lkg = 1$ (for a new building); $lf = 3$ (for commercial buildings); $lk = 0.7$; $lw = 1$ (for permanent buildings); $lpt = 1$ (if the building does not have a basement). Therefore, $It = 1 \times 3 \times 0.7 \times 1 \times 1 = 2.1$ • HSbg = IDR 25,000 / sq. m. 	42 days	IDR 58,471,407
9	<p>Receive inspection upon completion of foundation</p> <p><i>Agency</i> : Investment and One-Stop Services Department within the One-Stop Integrated Service Agency (Badan Pelayanan Terpadu Satu Pintu/BPTSP)</p> <p>According to the building regulations, the Supervision and Control Office must inspect during the various phases of construction.</p>	1 day	no charge
10	<p>Receive inspection upon completion of the structure</p> <p><i>Agency</i> : Investment and One-Stop Services Department within the One-Stop Integrated Service Agency (Badan Pelayanan Terpadu Satu Pintu/BPTSP)</p> <p>According to the building regulations, the Supervision and Control Office must inspect during the various phases of construction.</p>	1 day	no charge
11	<p>Receive inspection upon completion of roofing</p> <p><i>Agency</i> : Investment and One-Stop Services Department within the One-Stop Integrated Service Agency (Badan Pelayanan Terpadu Satu Pintu/BPTSP)</p> <p>According to the building regulations, the Supervision and Control Office must inspect during the various phases of construction.</p>	1 day	no charge

12	<p>Submit building completion report to Supervision and Control Office</p> <p><i>Agency</i> : Investment and One-Stop Services Department within the One-Stop Integrated Service Agency (Badan Pelayanan Terpadu Satu Pintu/BPTSP)</p> <p>The construction completion and compliance report is a prerequisite for obtaining the certificate of proper functioning (SLF) and the usage permit. The party issuing the official report on the completion of the construction and compliance with the building permit is the Supervising Director, who can be an individual, a group of experts, or an entity appointed by the project owner to supervise the construction work. For the Doing Business case study, the supervising director would most likely be in-house.</p>	1 day	no charge
13	<p>Receive final inspection from the Fire Department</p> <p><i>Agency</i> : Fire Department</p> <p>The Fire Department must conduct a final inspection once the building is completed. They will then issue a certificate of fire safety recommendations stating the building was built according to the proper safety standards. This fire safety certificate is needed in order to obtain the SLF.</p> <p>To obtain the fire safety certificate, an application is to be filed to the relevant PTSP with the following documents before the inspection:</p> <ol style="list-style-type: none"> 1. an application letter; 2. identity of the applicant; 3. a Power of Attorney (as applicable); 4. Constitutional documents and Taxpayer Registration Number (Nomor Pokok Wajib Pajak) of the applicant, in case the applicant is a legal entity; 5. the IMB; 6. Fire Safety Expertise Registration Certificate (Tanda Daftar Keahlian Keselamatan Kebakaran); and 7. a Technical Proposal. 	1 day	no charge
⇒ 14	<p>Receive final inspection from the Supervision and Control Office</p> <p><i>Agency</i> : Local Administrative Building Office – Supervision and Control Office (P2B) within the One-Stop Integrated Service Agency (Badan Pelayanan Terpadu Satu Pintu/BPTSP)</p> <p>Pursuant to Regulation 25/2007 and Regulation 129/2012, before the issuance of the certificate of proper functioning or SLF, the relevant officer will conduct an inspection to determine the completeness of technical requirements of the construction. The inspection is conducted to ensure that the building is properly built for occupancy or usage.</p>	1 day	no charge
15	<p>Obtain water and sewerage connection</p> <p><i>Agency</i> : PAM Jaya</p> <p>The application to obtain water and sewerage connection shall be submitted to PAM Jaya through its designated providers, which are PT AETRA Air Jakarta for warehouses located in the North and East regions of Jakarta, and PT PAM Lyonnaise Jaya (PALYJA) for warehouses located in the South, Central, and West regions of Jakarta.</p> <p>The application should be submitted along with the following documents:</p> <ol style="list-style-type: none"> 1. A copy of land and building tax documents; 2. A copy of the KTP (the identity card) of BuildCo's director or the applicant; 3. A copy of business license of BuildCo; 4. The prediction on water needs. 	20 days	IDR 30,492,880
16	<p>Obtain SLF (certificate of proper functioning) from the Supervision Office</p> <p><i>Agency</i> : Local Administrative Building Office – Supervision and Control Office (P2B) within the One-Stop Integrated Service Agency (Badan Pelayanan Terpadu Satu Pintu/BPTSP)</p> <p>The SLF is required under Law No. 25/PRT/M/2007 and Law No. 7/2010 on Buildings. The certificate is a declaration that the building has been built according to the conditions stipulated in the building permit and can be used in accordance with its intended function. BuildCo must submit the following documents in order to obtain the SLF:</p> <ul style="list-style-type: none"> - Completed application form; - A copy of applicant's ID card (KTP); - A copy of Taxpayer Registration Number (NPWP) of the applicant; - A copy of legalized land and building ownership proof or a copy of SIPPT (Principal License to Use and Develop Land); - A copy of the building permit (IMB) and all of its attachments; - A copy of the architectural drawing on the attachment to the IMB or the latest permit; - 3 sets of City Plan Information (Keterangan Rencana Kota or KRK) or Building Zoning Plan (Rencana Tata Letak Bangunan or RTLK) or situation map (or peta situasi); - Statement of Building Completion (Keterangan Selesai Membangun) and building implementation result (if any); - 3 sets of the legalized as-built drawing of the building; - a digital form of the as built drawing of the building architecture including situation drawing in CAD format (if required); - a report of the building maintenance. 	49 days	no charge

17	<p>Register the warehouse with the Regional Tax Services Unit</p> <p><i>Agency</i> : Regional Tax Services and Retribution Unit (Unit Pelayanan Pajak dan Retribusi Daerah) within the One-Stop Integrated Service Agency (Badan Pelayanan Terpadu Satu Pintu/BPTSP)</p> <p>After the warehouse is built BuildCo must update its records at the Regional Tax Services Unit. While in theory this update can be done automatically, many builders do it in person to avoid delays. This is critical when a builder wants to sell the property or use it as collateral to obtain a loan.</p> <p>Pursuant to the Governor of DKI Jakarta Regulation No. 65 of 2018 on Regional Tax Identification Numbers (which revoked the Governor of DKI Jakarta Regulation No. 202 of 2012), registration of a warehouse is to be submitted with the following documents:</p> <ol style="list-style-type: none"> 1. a copy of the applicant's identity; 2. a Power of Attorney signed over an IDR6,000 duty stamp (if relevant); 3. copies of the applicant's constitutional documents; 4. a copy of the land certificate; 5. a statement letter stating that the land is not currently an object of a dispute; 6. a certificate from the Head of the Sub-District where the warehouse is located; 7. a copy of the land sale and purchase agreement; 8. a copy of the IMB; and 9. a validated/certified copy of the Statement on the Payment of Regional Tax on Customs for the Acquisition over the Right of Land and Building (SSPD BHPTB). 	11 days	no charge
⇒ 18	<p>Register the warehouse with the Regional Office of the Ministry of Trade</p> <p><i>Agency</i> : Investment and One-Stop Services Department within the One-Stop Integrated Service Agency (Badan Pelayanan Terpadu Satu Pintu/BPTSP)</p> <p>In order to register the warehouse with the Ministry of Trade and obtain a warehouse registration certificate (Tanda Daftar Gudang or "TDG"), BuildCo must submit the following documents:</p> <ol style="list-style-type: none"> 1. A copy of the identity card (KTP) of the owner of or person responsible for BuildCo; 2. A copy of the deed of establishment of BuildCo and its amendments (if any); 3. A copy of building permit (IMB) of the warehouse; and 4. Two photos of the owner of or person responsible for BuildCo with the size 4x6cm. <p>During the submission of the above documents, the applicant must show the original documents to the officer. The holder of warehouse registration certificate is obliged to re-register the certificate every 5 years.</p> <p>Warehouses in a privately owned port, warehouses in a bonded zone, and warehouses adjacent to the plant are exempted from the registration requirement.</p>	9 days	IDR 100,000

⇒Takes place simultaneously with previous procedure.

Details - Dealing with Construction Permits in Jakarta - Measure of Quality

	Answer	Score
Building quality control index (0-15)		14.0
Quality of building regulations index (0-2)		2.0
How accessible are building laws and regulations in your economy? (0-1)	Available online; Free of charge.	1.0
Which requirements for obtaining a building permit are clearly specified in the building regulations or on any accessible website, brochure or pamphlet? (0-1)	List of required documents; Fees to be paid; Required preapprovals.	1.0
Quality control before construction index (0-1)		1.0
Which third-party entities are required by law to verify that the building plans are in compliance with existing building regulations? (0-1)	Licensed architect; Licensed engineer.	1.0
Quality control during construction index (0-3)		2.0
What types of inspections (if any) are required by law to be carried out during construction? (0-2)	Inspections by in-house engineer; Inspections at various phases.	1.0
Do legally mandated inspections occur in practice during construction? (0-1)	Mandatory inspections are always done in practice.	1.0
Quality control after construction index (0-3)		3.0
Is there a final inspection required by law to verify that the building was built in accordance with the approved plans and regulations? (0-2)	Yes, final inspection is done by government agency; Yes, in-house engineer submits report for final inspection.	2.0
Do legally mandated final inspections occur in practice? (0-1)	Final inspection always occurs in practice.	1.0
Liability and insurance regimes index (0-2)		2.0
Which parties (if any) are held liable by law for structural flaws or problems in the building once it is in use (Latent Defect Liability or Decennial Liability)? (0-1)	Architect or engineer; Professional in charge of the supervision; Construction company.	1.0
Which parties (if any) are required by law to obtain an insurance policy to cover possible structural flaws or problems in the building once it is in use (Latent Defect Liability Insurance or Decennial Insurance)? (0-1)	No party is required by law to obtain insurance ; Insurance is commonly taken in practice.	1.0
Professional certifications index (0-4)		4.0
What are the qualification requirements for the professional responsible for verifying that the architectural plans or drawings are in compliance with existing building regulations? (0-2)	Minimum number of years of experience; University degree in architecture or engineering; Being a registered architect or engineer.	2.0

What are the qualification requirements for the professional who supervises the construction on the ground? (0-2)

Minimum number of years of experience; University degree in engineering, construction or construction management; Being a registered architect or engineer.

2.0

Dealing with Construction Permits - Surabaya

Standardized Warehouse

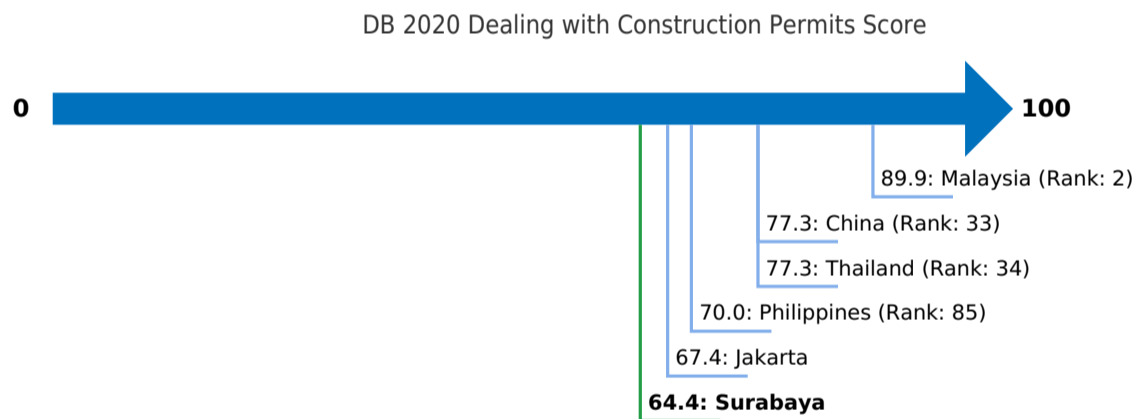
Estimated value of warehouse	IDR 2,688,509,881.60
City Covered	Surabaya

Indicator	Surabaya	East Asia & Pacific	OECD high income	Best Regulatory Performance
Procedures (number)	18	14.8	12.7	None in 2018/19
Time (days)	232.5	132.3	152.3	None in 2018/19
Cost (% of warehouse value)	3.5	3.2	1.5	None in 2018/19
Building quality control index (0-15)	13.0	9.4	11.6	15.0 (6 Economies)

Figure - Dealing with Construction Permits in Surabaya - Score

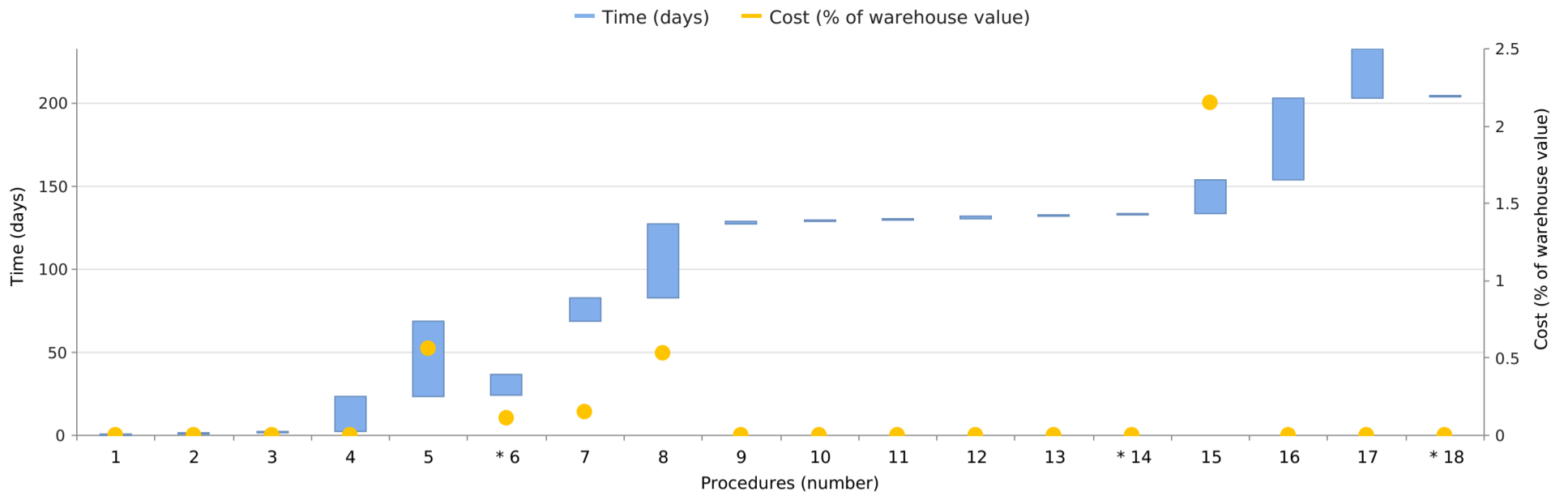


Figure - Dealing with Construction Permits in Surabaya and comparator economies - Ranking and Score



Note: The ranking of economies on the ease of dealing with construction permits is determined by sorting their scores for dealing with construction permits. These scores are the simple average of the scores for each of the component indicators.

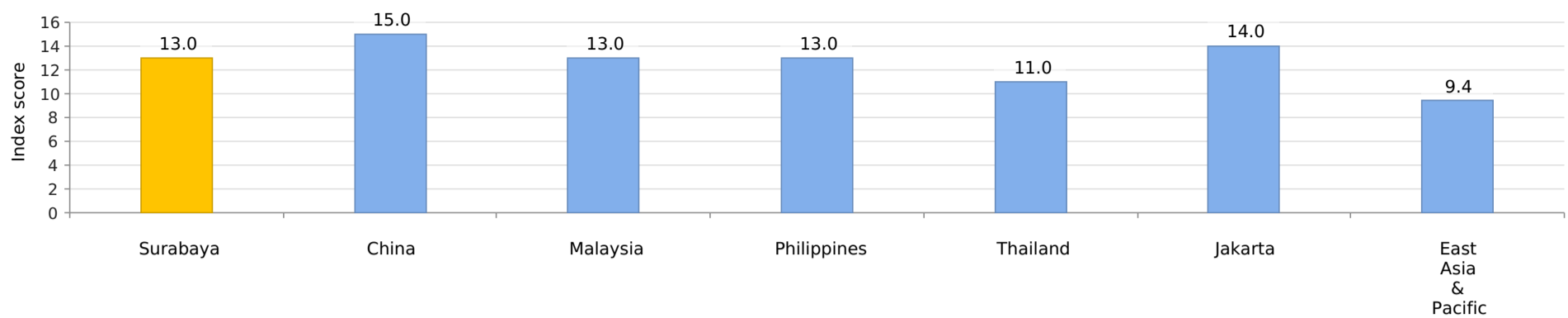
Figure - Dealing with Construction Permits in Surabaya - Procedure, Time and Cost



*This symbol is shown beside procedure numbers that take place simultaneously with the previous procedure.

Note: Online procedures account for 0.5 days in the total time calculation. For economies that have a different procedure list for men and women, the graph shows the time for women. For more information on methodology, see the *Doing Business* website (<http://doingbusiness.org/en/methodology>). For details on the procedures reflected here, see the summary below.

Figure - Dealing with Construction Permits in Surabaya and comparator economies - Measure of Quality



Details - Dealing with Construction Permits in Surabaya - Procedure, Time and Cost

No.	Procedures	Time to Complete	Associated Costs
1	<p>Request and obtain notarized copy of land ownership certificate <i>Agency: Notary</i> BuildCo must notarize a copy of the land ownership certificate before applying for the city planning permit and building permit.</p>	1 day	IDR 25,000
2	<p>Request city planning permit (SKRK) and building construction permit (IMB) from Surabaya One-Stop (Unit Pelayanan Terpadu Satu Atap - UPTSA) <i>Agency: Surabaya One-Stop Shop (Unit Pelayanan Terpadu Satu Atap - UPTSA)</i> In order to obtain the city planning permit (SKRK), BuildCo must submit the following documents:</p> <ol style="list-style-type: none"> Application form (available at Surabaya one-stop shop); Copy of identity card of the applicants; Copy of property tax invoice and receipt; Legalized copy of land ownership certificate. BuildCo's deed of establishment License of supervising engineer <p>BuildCo can see the map of Surabaya online and click on the location where they intend to build the project. Majority of applicants apply for the city planning permit in person, although it is possible to submit the documents online.</p> <p>Once it submits the documents, BuildCo is interviewed about the project details. After that, the Surabaya one-stop shop checks adherence of the location with master plan and calculates the retribution charges. BuildCo pays the fees at the Surabaya one-stop shop and the file is transferred to the City Planning Agency (Dinas Cipta Karya dan Tata Ruang). City Planning Agency representatives inspect the future building site, measure the location, prepare drawings, and position the future building's plot in technical master plan. They also prepare location drawings (with border, base coefficient, size coefficient, and technical requirements). When all is complete, the City Planning Agency evaluates, registers, and approves the application. Once the application has been approved, the City Planning Agency transfers the file back to the Surabaya one-stop shop which then notifies BuildCo that the statement is ready for pick up.</p> <p>Regulations establish a statutory time of 7 days for the city planning statement to be issued, but it usually takes longer.</p> <p>This procedure is governed by the following regulations:</p> <ol style="list-style-type: none"> Local Regulation No. 7 of 2010 on Buildings Local Regulation No. 5 of 2012 On City Maps Major Regulation No. 39 of 2012 on Guidelines and Technical Standards of Land Use 	0.5 days	no charge
3	<p>Receive inspection from City Planning Agency (Dinas Cipta Karya dan Tata Ruang) <i>Agency: City Planning Agency (Dinas Cipta Karya dan Tata Ruang)</i> A technical team of the City Planning Agency inspects the future building site, takes photographs of the terrain and measures the building demarcation lines ("Garis Sempadan Bangunan) in the presence of BuildCo representatives.</p>	1 day	no charge
4	<p>Obtain city planning permit (SKRK) from Surabaya One-Stop Shop (Unit Pelayanan Terpadu Satu Atap - UPTSA) <i>Agency: Surabaya One-Stop Shop (Unit Pelayanan Terpadu Satu Atap - UPTSA)</i></p>	21 days	no charge
5	<p>Request and obtain the preparation of the Environmental Management Plan (UKL) and Environmental Monitoring Plan (UPL) <i>Agency: External Consultant</i> Prior to obtaining a UKL-UPL, BuildCo must obtain the SKRK. BuildCo hires an external consultant that will prepare the Environmental Management Plan (UKL) and Environmental Monitoring Plan (UPL). When this is ready BuildCo will submit the documents to the Local Environmental Management Agency (BPLHD) in Surabaya for approval.</p>	45 days	IDR 15,000,000
→ 6	<p>Obtain a geotechnical study/soil test <i>Agency: Private Engineering Firm</i> BuildCo will request a soil test for the structural calculations for the foundation.</p>	12 days	IDR 3,000,000

7	<p>Obtain the approval for the Environmental Management Plan (UKL) and Environmental Monitoring Plan (UPL)</p> <p><i>Agency</i> : Local Environmental Control Agency (BPLHD) / Surabaya One-Stop Shop (Unit Pelayanan Terpadu Satu Atap - UPTSA)</p> <p>The legal basis for this procedure is:</p> <ol style="list-style-type: none"> Bylaw No. 4 of 2011 on the HO Mayor Regulation No. 74 of 2011 on Implementation of Regional Regulation No. 4 of 2011 <p>The local environmental agency (BPLHD) will review the UKL and UPL and conduct the environmental impact assessment. But the letter of approval is issued by the one-stop shop.</p> <p>The one-stop shop charges a fee for the approval letter. According to the fee schedule, buildings over 900 sq. m. are charged at a fee of IDR 500 / sq. m. x 1300.6 sq. m. x 2 (location index) x 3 (environmental index) = IDR 3,901,800.</p> <p>Smaller buildings with limited environmental impact can submit an Surat Pernyataan Kesanggupan Pengelolaan Lingkungan (Statement of Environmental Management Capability). In practice, construction firms choose to submit an UKL/UPL instead for warehouses and similar construction projects.</p>	14 days	IDR 3,901,800
8	<p>Obtain building construction permit (IMB)</p> <p><i>Agency</i> : Surabaya One-Stop Shop (Unit Pelayanan Terpadu Satu Atap - UPTSA)</p> <p>The supporting documents required to apply for a building permit (IMB) are:</p> <ol style="list-style-type: none"> Application form and statement letter of construction requirement adherence; Copy of ID card of BuildCo's director; Copy of property tax receipt; Copy of land ownership certificate; City planning permit (SKRK); Construction accountability statement, prepared by BuildCo's architect; Picture of the site and building plans, prepared by BuildCo's architect. Design drawings (3 copies): <ul style="list-style-type: none"> - Landscaping (scale 1:1000/1:5000), - Lay out (scale 1:100), - Foundation base, roof, sanitation (1:100); Structural drawings. Copy of UKL / UPL <p>It is possible to submit the required documents online.</p> <p>According to Regulation No. 53 of 2011 and No. 37 of 2012, the legal time limit to issue the IMB is 20 days. But in practice, it takes much longer.</p> <p>Architects and engineers will review all the drawings. There is usually a lot of back and forth interactions between the one-stop shop and the applicant.</p>	45 days	IDR 14,225,800
9	<p>Receive inspection upon completion of foundation</p> <p><i>Agency</i> : Local Administrative Building Office</p> <p>According to the building regulations, the Local Administrative Building Office must inspect during the various phases of construction, although this rarely happens in practice.</p>	1 day	no charge
10	<p>Receive inspection upon completion of the structure</p> <p><i>Agency</i> : Local Administrative Building Office</p> <p>According to the building regulations, the Local Administrative Building Office must inspect during the various phases of construction, although this rarely happens in practice.</p>	1 day	no charge
11	<p>Receive inspection upon completion of roofing</p> <p><i>Agency</i> : Local Administrative Building Office</p> <p>According to the building regulations, the Local Administrative Building Office must inspect during the various phases of construction, although this rarely happens in practice.</p>	1 day	no charge
12	<p>Submit building completion report to the one-stop shop</p> <p><i>Agency</i> : Surabaya One-Stop Shop (Unit Pelayanan Terpadu Satu Atap - UPTSA)</p> <p>The construction completion and compliance report is a prerequisite for obtaining the certificate of proper functioning (SLF) and the usage permit. The party issuing the official report on the completion of the construction and compliance with the building permit is the Supervising Director, who can be an individual, a group of experts, or an entity appointed by the project owner to supervise the construction work.</p>	1 day	no charge
13	<p>Receive final inspection from the Fire Department</p> <p><i>Agency</i> : Fire Department</p> <p>The Fire Department must conduct a final inspection once the building is completed. They will then issue a certificate of fire safety recommendations stating the building was built according to the proper safety standards. This fire safety certificate is needed in order to obtain the SLF.</p>	1 day	no charge

⇒ 14	<p>Receive final inspection from the Administrasi Surabaya & Dinas Cipta Karya dan Tata Ruang (Surabaya Administration and Office of Human Settlements and Spatial Planning) <i>Agency</i> : Local Administrative Building Office</p> <p>Once the Fire Department has conducted the final inspection and the Supervising Director has submitted the completion report, the Local Administrative Building Office will conduct a final inspection to ensure that the building was built according to the conditions stipulated in the building permit. Once the inspection is completed, the Local Administrative Building Office will issue an SLF (certificate of proper functioning). However, the final inspection does not always occur in practice, although it is legally required.</p>	1 day	no charge
15	<p>Obtain water and sewerage connection <i>Agency</i> : PDAM Surya</p> <p>The company notifies the industrial manager that the warehouse is ready for utility hook-ups.</p>	20 days	IDR 57,812,876
16	<p>Obtain SLF (certificate of proper functioning) from the Local Administrative Building Office <i>Agency</i> : Local Administrative Building Office</p> <p>The SLF is a declaration that the building has been built according to the conditions stipulated in the building permit and can be used in accordance with its intended function.</p>	49 days	no charge
17	<p>Register warehouse with the Land and Building Tax Office (PBB) <i>Agency</i> : Land and Building Tax Office</p> <p>After the warehouse is built and the SLF (Certificate of proper functioning) is obtained, BuildCo needs to update its records at the Land and Building Tax Office. The process can take 1-2 months because the office must appraise the value of the building.</p>	30 days	no charge
⇒ 18	<p>Register the warehouse with Surabaya One-Stop Shop (Unit Pelayanan Terpadu Satu Atap) <i>Agency</i> : Surabaya One-Stop Shop (Unit Pelayanan Terpadu Satu Atap - UPTSA)</p> <p>In order to register the warehouse with the one-stop shop, BuildCo must submit the following documents:</p> <ol style="list-style-type: none"> Copy of ID Card; Copy of building permit (IMB); Copy of certificate of land ownership; Copy of business trading license (SIUP) and company registration (TDP); BuildCo's director's pictures (2 copies - size 4x6 cm) <p>The legal basis for this procedure is:</p> <ol style="list-style-type: none"> Local Regulation No. 1/2010, regarding warehouse registration charges Mayor Regulation No. 35/2010, regarding warehouse registration procedures. <p>Both regulations have been implemented since 2010.</p>	1 day	no charge

⇒Takes place simultaneously with previous procedure.

Details - Dealing with Construction Permits in Surabaya - Measure of Quality

	Answer	Score
Building quality control index (0-15)		13.0
Quality of building regulations index (0-2)		1.0
How accessible are building laws and regulations in your economy? (0-1)	Available online; Free of charge.	1.0
Which requirements for obtaining a building permit are clearly specified in the building regulations or on any accessible website, brochure or pamphlet? (0-1)	List of required documents; Fees to be paid.	0.0
Quality control before construction index (0-1)		1.0
Which third-party entities are required by law to verify that the building plans are in compliance with existing building regulations? (0-1)	Licensed architect; Licensed engineer.	1.0
Quality control during construction index (0-3)		2.0
What types of inspections (if any) are required by law to be carried out during construction? (0-2)	Inspections by in-house engineer; Inspections at various phases.	1.0
Do legally mandated inspections occur in practice during construction? (0-1)	Mandatory inspections are always done in practice.	1.0
Quality control after construction index (0-3)		3.0
Is there a final inspection required by law to verify that the building was built in accordance with the approved plans and regulations? (0-2)	Yes, final inspection is done by government agency; Yes, in-house engineer submits report for final inspection.	2.0
Do legally mandated final inspections occur in practice? (0-1)	Final inspection always occurs in practice.	1.0
Liability and insurance regimes index (0-2)		2.0
Which parties (if any) are held liable by law for structural flaws or problems in the building once it is in use (Latent Defect Liability or Decennial Liability)? (0-1)	Architect or engineer; Professional in charge of the supervision; Construction company.	1.0
Which parties (if any) are required by law to obtain an insurance policy to cover possible structural flaws or problems in the building once it is in use (Latent Defect Liability Insurance or Decennial Insurance)? (0-1)	No party is required by law to obtain insurance ; Insurance is commonly taken in practice.	1.0
Professional certifications index (0-4)		4.0
What are the qualification requirements for the professional responsible for verifying that the architectural plans or drawings are in compliance with existing building regulations? (0-2)	Minimum number of years of experience; University degree in architecture or engineering; Being a registered architect or engineer.	2.0

What are the qualification requirements for the professional who supervises the construction on the ground? (0-2)

Minimum number of years of experience; University degree in engineering, construction or construction management; Being a registered architect or engineer.

2.0

⚡ Getting Electricity

This topic measures the procedures, time and cost required for a business to obtain a permanent electricity connection for a newly constructed warehouse. Additionally, the reliability of supply and transparency of tariffs index measures reliability of supply, transparency of tariffs and the price of electricity. The most recent round of data collection for the project was completed in May 2019. [See the methodology for more information.](#)

What the indicators measure

Procedures to obtain an electricity connection (number)

- Submitting all relevant documents and obtaining all necessary clearances and permits
- Completing all required notifications and receiving all necessary inspections
- Obtaining external installation works and possibly purchasing material for these works
- Concluding any necessary supply contract and obtaining final supply

Time required to complete each procedure (calendar days)

- Is at least 1 calendar day
- Each procedure starts on a separate day
- Does not include time spent gathering information
- Reflects the time spent in practice, with little follow-up and no prior contact with officials

Cost required to complete each procedure (% of income per capita)

- Official costs only, no bribes
- Value added tax excluded

The reliability of supply and transparency of tariffs index (0-8)

- Duration and frequency of power outages (0-3)
- Tools to monitor power outages (0-1)
- Tools to restore power supply (0-1)
- Regulatory monitoring of utilities' performance (0-1)
- Financial deterrents limiting outages (0-1)
- Transparency and accessibility of tariffs (0-1)

Price of electricity (cents per kilowatt-hour)*

- Price based on monthly bill for commercial warehouse in case study

*Note: *Doing Business* measures the price of electricity, but it is not included in the ease of doing business score nor in the ranking on the ease of getting electricity.

Case study assumptions

To make the data comparable across economies, several assumptions about the warehouse, the electricity connection and the monthly consumption are used.

The warehouse:

- Is owned by a local entrepreneur and is used for storage of goods.
- Is located in the economy's largest business city. For 11 economies the data are also collected for the second largest business city.
- Is located in an area where similar warehouses are typically located and is in an area with no physical constraints. For example, the property is not near a railway.
- Is a new construction and is being connected to electricity for the first time.
- Has two stories with a total surface area of approximately 1,300.6 square meters (14,000 square feet). The plot of land on which it is built is 929 square meters (10,000 square feet).

The electricity connection:

- Is a permanent one with a three-phase, four-wire Y connection with a subscribed capacity of 140-kilo-volt-ampere (kVA) with a power factor of 1, when 1 kVA = 1 kilowatt (kW).
- Has a length of 150 meters. The connection is to either the low- or medium-voltage distribution network and is either overhead or underground, whichever is more common in the area where the warehouse is located and requires works that involve the crossing of a 10-meter road (such as by excavation or overhead lines) but are all carried out on public land. There is no crossing of other owners' private property because the warehouse has access to a road.
- Does not require work to install the internal wiring of the warehouse. This has already been completed up to and including the customer's service panel or switchboard and the meter base.

The monthly consumption:

- It is assumed that the warehouse operates 30 days a month from 9:00 a.m. to 5:00 p.m. (8 hours a day), with equipment utilized at 80% of capacity on average and that there are no electricity cuts (assumed for simplicity reasons) and the monthly energy consumption is 26,880 kilowatt-hours (kWh); hourly consumption is 112 kWh.
- If multiple electricity suppliers exist, the warehouse is served by the cheapest supplier.
- Tariffs effective in January of the current year are used for calculation of the price of electricity for the warehouse. Although January has 31 days, for calculation purposes only 30 days are used.

Getting Electricity - Jakarta

Standardized Connection

Name of utility	PT PLN
Price of electricity (US cents per kWh)	10.7
City Covered	Jakarta

Indicator	Jakarta	East Asia & Pacific	OECD high income	Best Regulatory Performance
Procedures (number)	4	4.2	4.4	3 (28 Economies)
Time (days)	34	63.2	74.8	18 (3 Economies)
Cost (% of income per capita)	233.8	594.6	61.0	0.0 (3 Economies)
Reliability of supply and transparency of tariff index (0-8)	6	4.0	7.4	8 (26 Economies)

Figure - Getting Electricity in Jakarta - Score

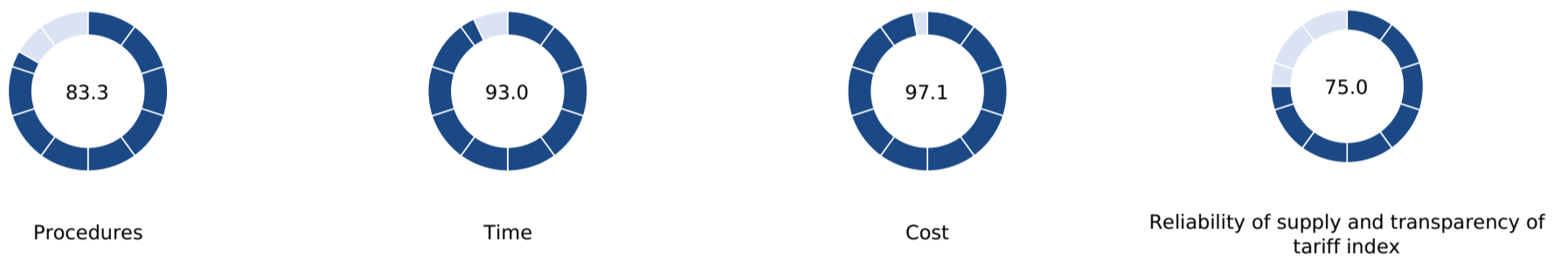
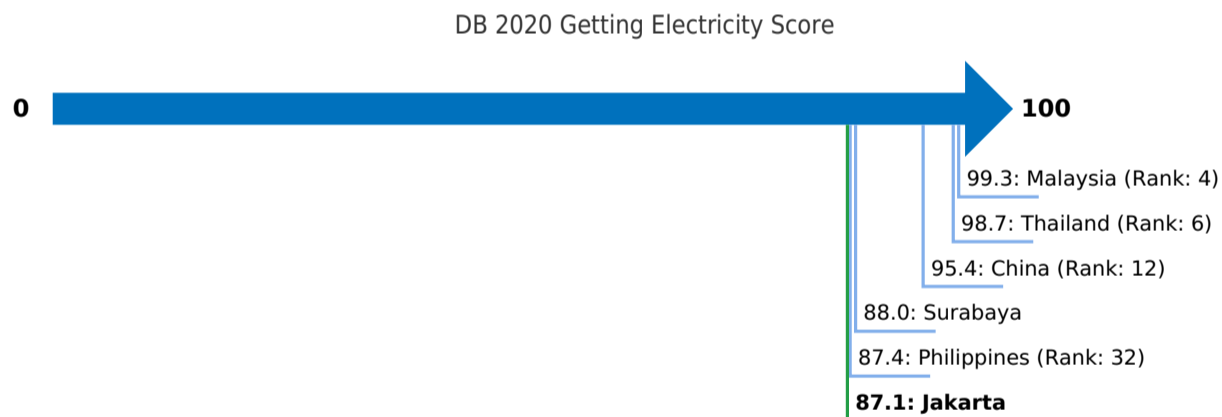
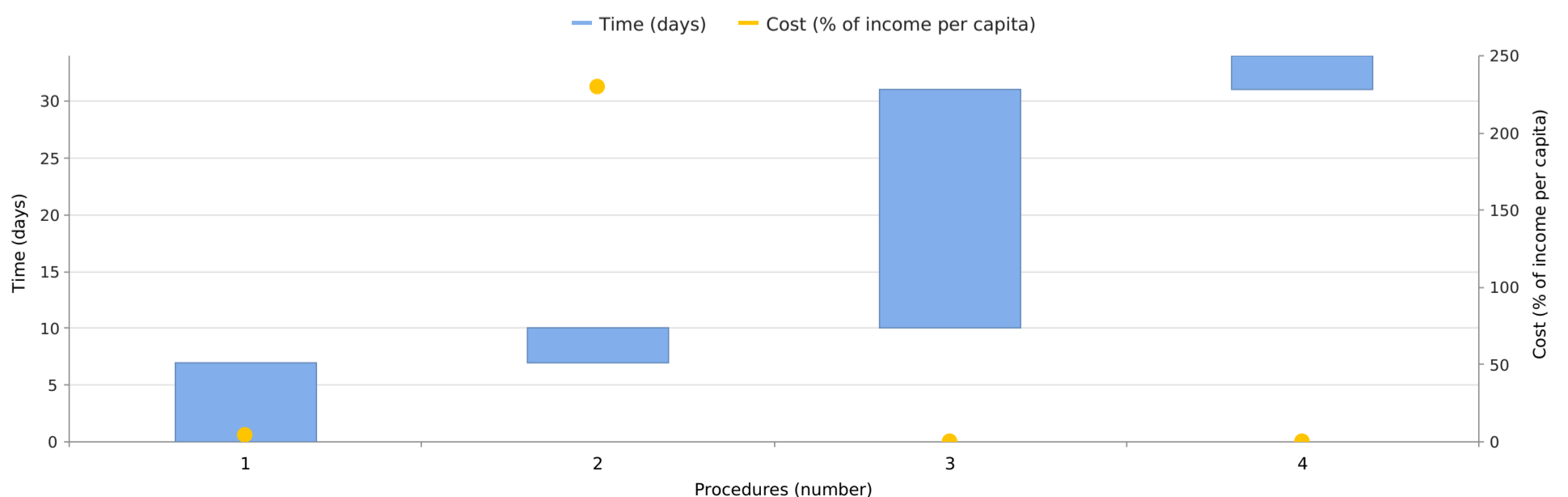


Figure - Getting Electricity in Jakarta and comparator economies - Ranking and Score



Note: The ranking of economies on the ease of getting electricity is determined by sorting their scores for getting electricity. These scores are the simple average of the scores for all the component indicators except the price of electricity.

Figure - Getting Electricity in Jakarta - Procedure, Time and Cost

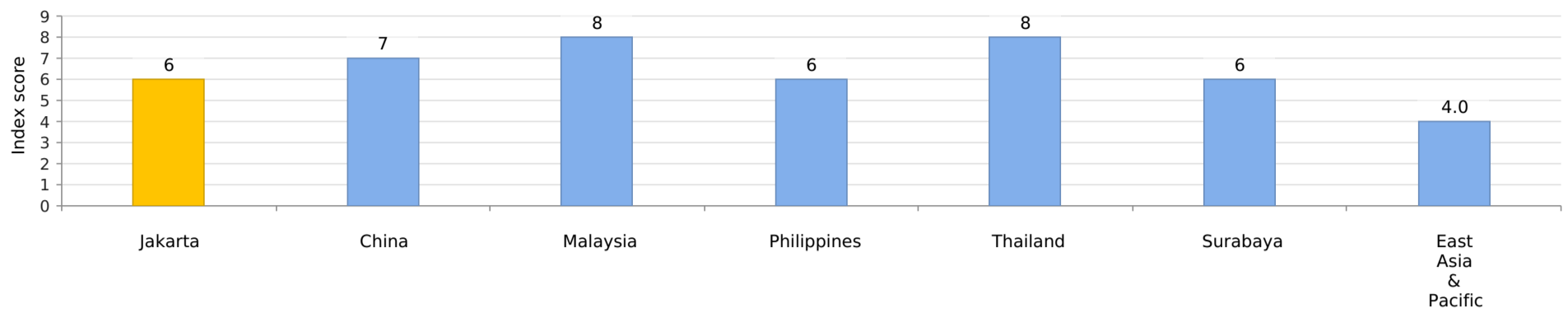


*This symbol is shown beside procedure numbers that take place simultaneously with the previous procedure.

Note: Online procedures account for 0.5 days in the total time calculation. For economies that have a different procedure list for men and women, the graph shows the time for women. For more information on methodology, see the *Doing Business* website (<http://doingbusiness.org/en/methodology>). For details on the procedures

reflected here, see the summary below.

Figure - Getting Electricity in Jakarta and comparator economies - Measure of Quality



Details - Getting Electricity in Jakarta - Procedure, Time and Cost

No.	Procedures	Time to Complete	Associated Costs
1	<p>Request and obtain inspection and certificate of operation worthiness (SLO) for the internal wiring installation</p> <p><i>Agency</i> : KONSUIL/ PPILN/ JASERINDO</p> <p>After internal wiring in the building is finished, customer can ask third party to check it and get SLO. SLO is statement from third party that building is safe to have power. SLO certificates are obtained from a certified service provider authorized to provide SLO. Komite Nasional Keselamatan Untuk Instalasi Listrik (KONSUIL), Perkumpulan Perlindungan Instalasi Listrik Nasional (PPILN) or Jasa Sertifikasi Indonesia (JASERINDO) act as independent bodies in charge of inspecting and verifying the conformity of the installation works vis-a-vis the norms in place. In order to obtain the SLO certificate, the client has to pay the fee, the SLO inspector will visit the site to check installation of internal wiring, and will issue the SLO number to the client, which entails an interaction. At a later stage, the client submits the SLO to PLN. SLO is required in order for PLN to activate the connection.</p> <p>Note: Usually, customers apply to PLN before building is finished. In parallel with PLN works, customers do internal wiring. SLO internal wiring inspection is done separately from final inspection by PLN.</p>	7 calendar days	IDR 2,205,000
2	<p>Submit connection application to PLN and await approval and estimate</p> <p><i>Agency</i> : PT Perusahaan Listrik Negara (PLN)</p> <p>The client can apply for a new connection through PLN's web-site www.pln.co.id - or through its call center. The client needs to input the following information with the application:</p> <ul style="list-style-type: none"> - Identity Card number - Capacity of electricity connection - Address of warehouse (the client can show the exact location by tagging a map on PLN's website) <p>However, part of application (such as installation drawings) is submitted in person.</p> <p>Upon his/her application, the client receives a registration number. The registration number is a code with which the client can pay the connection fee and the security deposit charge. The payment can be done through most local banks and their delivery channels (e.g. ATM, e-banking). Customers have an option to pay in installments. Once the payment is processed, one of the vendors of PLN will be informed that the external works can commence.</p>	3 calendar days	IDR 123,487,620.39
3	<p>Obtain external works from PLN's contractor</p> <p><i>Agency</i> : PT Perusahaan Listrik Negara (PLN)'s contractor</p> <p>The external works consist of expanding the distribution network by installing an overhead transformer and connecting the warehouse to the network. PLN will typically contract-out the external works to approved vendors, but it will provide the main materials needed (e.g. transformer, cables).</p>	21 calendar days	IDR 0
4	<p>Request and obtain final connection from PLN</p> <p><i>Agency</i> : PT Perusahaan Listrik Negara (PLN)</p> <p>At this stage, after external works are done, the customer submits SLO to PLN. PLN schedules final inspection to run electricity test. The client needs to come to the site. Experts noted that SLO inspection is done separately from final inspection by PLN, which assumes a separate interaction.</p>	3 calendar days	IDR 0

⇨ Takes place simultaneously with previous procedure.

Details - Getting Electricity in Jakarta - Measure of Quality

	Answer
Reliability of supply and transparency of tariff index (0-8)	6
Total duration and frequency of outages per customer a year (0-3)	2
System average interruption duration index (SAIDI)	2.6
System average interruption frequency index (SAIFI)	2.2
What is the minimum outage time (in minutes) that the utility considers for the calculation of SAIDI/SAIFI	5.0
Mechanisms for monitoring outages (0-1)	1
Does the distribution utility use automated tools to monitor outages?	Yes
Mechanisms for restoring service (0-1)	1
Does the distribution utility use automated tools to restore service?	Yes
Regulatory monitoring (0-1)	1
Does a regulator—that is, an entity separate from the utility—monitor the utility's performance on reliability of supply?	Yes
Financial deterrents aimed at limiting outages (0-1)	1
Does the utility either pay compensation to customers or face fines by the regulator (or both) if outages exceed a certain cap?	Yes
Communication of tariffs and tariff changes (0-1)	0
Are effective tariffs available online?	Yes
Link to the website, if available online	www.pln.co.id/blog/tarif-tenaga-listrik
Are customers notified of a change in tariff ahead of the billing cycle?	No

Note:

If the duration and frequency of outages is 100 or less, the economy is eligible to score on the Reliability of supply and transparency of tariff index.

If the duration and frequency of outages is not available, or is over 100, the economy is not eligible to score on the index.

If the minimum outage time considered for SAIDI/SAIFI is over 5 minutes, the economy is not eligible to score on the index.

Getting Electricity - Surabaya

Standardized Connection

Name of utility	PT Perusahaan Listrik Negara (PLN)
Price of electricity (US cents per kWh)	11.5
City Covered	Surabaya

Indicator	Surabaya	East Asia & Pacific	OECD high income	Best Regulatory Performance
Procedures (number)	4	4.2	4.4	3 (28 Economies)
Time (days)	26	63.2	74.8	18 (3 Economies)
Cost (% of income per capita)	233.8	594.6	61.0	0.0 (3 Economies)
Reliability of supply and transparency of tariff index (0-8)	6	4.0	7.4	8 (26 Economies)

Figure - Getting Electricity in Surabaya - Score

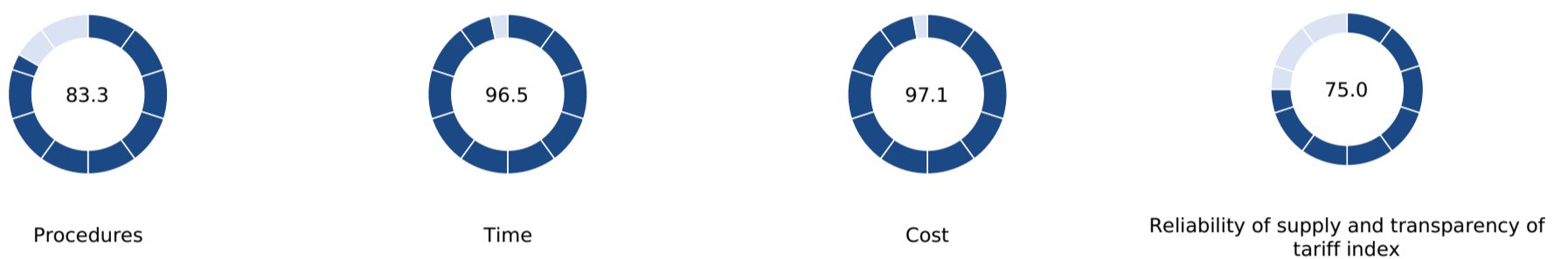
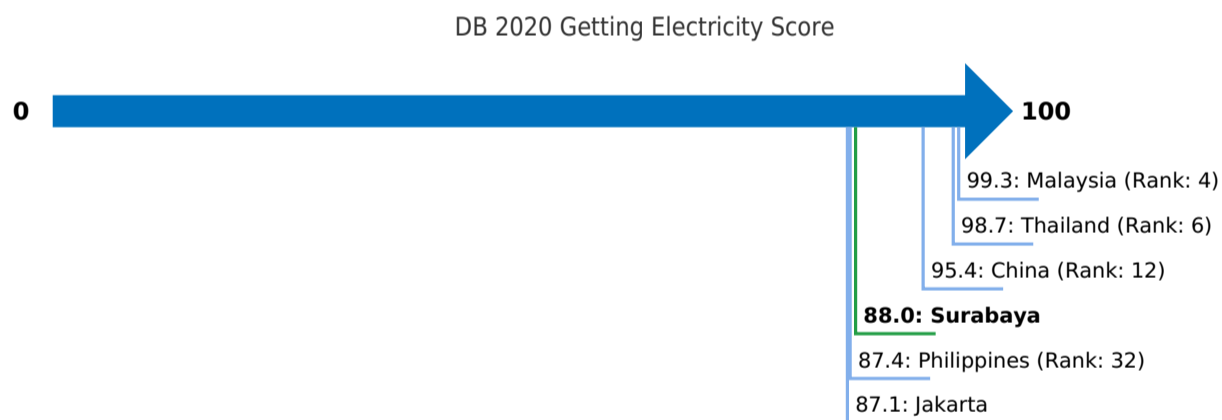
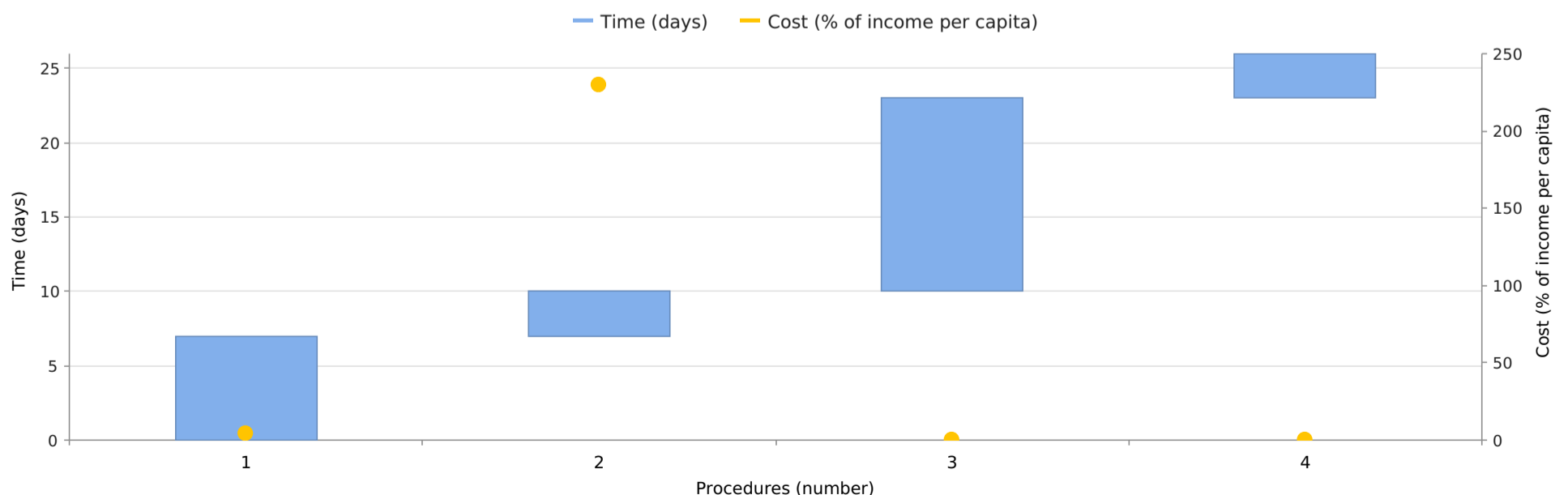


Figure - Getting Electricity in Surabaya and comparator economies - Ranking and Score



Note: The ranking of economies on the ease of getting electricity is determined by sorting their scores for getting electricity. These scores are the simple average of the scores for all the component indicators except the price of electricity.

Figure - Getting Electricity in Surabaya - Procedure, Time and Cost

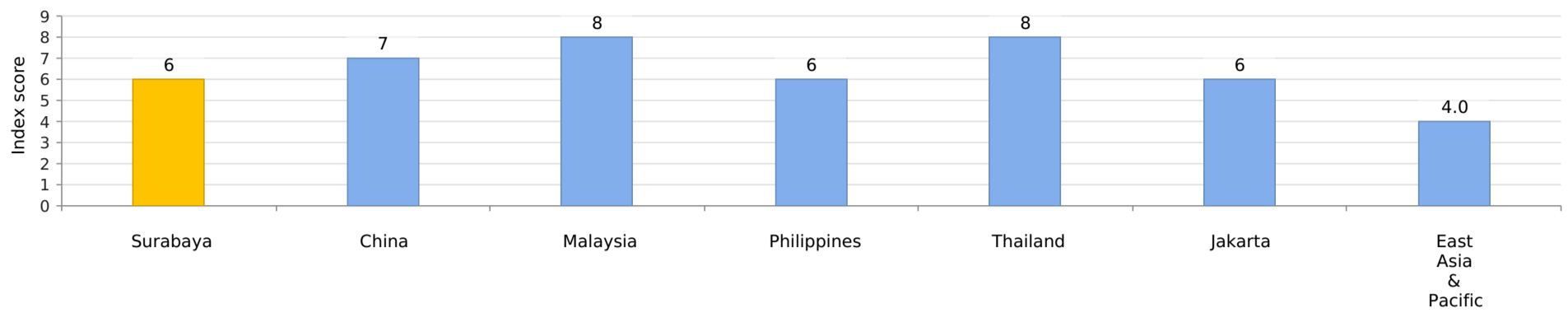


*This symbol is shown beside procedure numbers that take place simultaneously with the previous procedure.

Note: Online procedures account for 0.5 days in the total time calculation. For economies that have a different procedure list for men and women, the graph shows the time for women. For more information on methodology, see the *Doing Business* website (<http://doingbusiness.org/en/methodology>). For details on the procedures

reflected here, see the summary below.

Figure - Getting Electricity in Surabaya and comparator economies - Measure of Quality



Details - Getting Electricity in Surabaya - Procedure, Time and Cost

No.	Procedures	Time to Complete	Associated Costs
1	<p>Request and receive inspection and certificate of operation worthiness for internal wiring installation</p> <p><i>Agency</i> : KONSUIL/ PPILN/ JASERINDO</p> <p>After internal wiring in the building is finished, customer can ask third party to check it and get certificate of operation worthiness of electrical installation (SLO). SLO is statement from third party that building is safe to have power. SLO certificates are obtained from a certified service provider authorized to provide SLO. Komite Nasional Keselamatan Untuk Instalasi Listrik (KONSUIL), Perkumpulan Perlindungan Instalasi Listrik Nasional (PPILN) or Jasa Sertifikasi Indonesia (JASERINDO) act as independent bodies in charge of inspecting and verifying the conformity of the installation works vis-a-vis the norms in place. In order to obtain the SLO certificate, the client has to pay the fee, the SLO inspector will visit the site to check installation of internal wiring, and will issue the SLO number to the client, which entails an interaction. At a later stage, the client submits the SLO to PLN. SLO is required in order for PLN to activate the connection.</p> <p>Note: Usually, customers apply to PLN before building is finished. In parallel with PLN works, customers do internal wiring. SLO internal wiring inspection is done separately from final inspection by PLN.</p>	7 calendar days	IDR 2,205,000
2	<p>Submit connection application to PLN and await approval and estimate</p> <p><i>Agency</i> : PT Perusahaan Listrik Negara (PLN)</p> <p>The client can apply for a new connection through PLN's web-site www.pln.co.id - or through its call center. The client needs to input the following information with the application:</p> <ul style="list-style-type: none"> - Identity Card number - Capacity of electricity connection - Address of warehouse (the client can show the exact location by tagging a map on PLN's website) <p>However, part of application (such as installation drawings) is submitted in person.</p> <p>On-site external inspections are no-longer carried-out by PLN thanks to a GIS system.</p> <p>Upon his/her application, the client receives a registration number. The registration number is a code with which the client can pay the connection fee and the security deposit charge. The payment can be done through most local banks and their delivery channels (e.g. ATM, e-banking). Customers have an option to pay in installments. Once the payment is processed, one of the vendors of PLN will be informed that the external works can commence.</p>	3 calendar days	IDR 123,487,620.39
3	<p>Obtain external works by PLN's contractor</p> <p><i>Agency</i> : PT Perusahaan Listrik Negara (PLN) 's contractor</p> <p>The external works consist of expanding the distribution network by installing an overhead transformer and connecting the warehouse to the network. PLN will typically contract-out the external works to approved vendors, but it will provide the main materials needed (e.g. transformer, cables).</p>	13 calendar days	IDR 0
4	<p>Request and obtain final connection from PLN</p> <p><i>Agency</i> : PT Perusahaan Listrik Negara (PLN)</p> <p>At this stage, after external works are done, the customer submits SLO to PLN. PLN schedules final inspection to run electricity test. The client needs to come to the site. Experts noted that SLO inspection is done separately from final inspection by PLN, which assumes a separate interaction.</p>	3 calendar days	IDR 0

⇒ Takes place simultaneously with previous procedure.

Details - Getting Electricity in Surabaya - Measure of Quality

	Answer
Reliability of supply and transparency of tariff index (0-8)	6
Total duration and frequency of outages per customer a year (0-3)	2
System average interruption duration index (SAIDI)	3.6
System average interruption frequency index (SAIFI)	2.2
What is the minimum outage time (in minutes) that the utility considers for the calculation of SAIDI/SAIFI	5.0
Mechanisms for monitoring outages (0-1)	1
Does the distribution utility use automated tools to monitor outages?	Yes
Mechanisms for restoring service (0-1)	1
Does the distribution utility use automated tools to restore service?	Yes
Regulatory monitoring (0-1)	1
Does a regulator—that is, an entity separate from the utility—monitor the utility's performance on reliability of supply?	Yes
Financial deterrents aimed at limiting outages (0-1)	1
Does the utility either pay compensation to customers or face fines by the regulator (or both) if outages exceed a certain cap?	Yes
Communication of tariffs and tariff changes (0-1)	0
Are effective tariffs available online?	Yes
Link to the website, if available online	www.pln.co.id/blog/tarif-tenaga-listrik
Are customers notified of a change in tariff ahead of the billing cycle?	No

Note:

If the duration and frequency of outages is 100 or less, the economy is eligible to score on the Reliability of supply and transparency of tariff index.

If the duration and frequency of outages is not available, or is over 100, the economy is not eligible to score on the index.

If the minimum outage time considered for SAIDI/SAIFI is over 5 minutes, the economy is not eligible to score on the index.

Registering Property

This topic examines the steps, time and cost involved in registering property, assuming a standardized case of an entrepreneur who wants to purchase land and a building that is already registered and free of title dispute. In addition, the topic also measures the quality of the land administration system in each economy. The quality of land administration index has five dimensions: reliability of infrastructure, transparency of information, geographic coverage, land dispute resolution, and equal access to property rights. The most recent round of data collection for the project was completed in May 2019. [See the methodology for more information.](#)

What the indicators measure

Procedures to legally transfer title on immovable property (number)

- Preregistration procedures (for example, checking for liens, notarizing sales agreement, paying property transfer taxes)
- Registration procedures in the economy's largest business city.
- Postregistration procedures (for example, filling title with municipality)

Time required to complete each procedure (calendar days)

- Does not include time spent gathering information
- Each procedure starts on a separate day - though procedures that can be fully completed online are an exception to this rule
- Procedure is considered completed once final document is received
- No prior contact with officials

Cost required to complete each procedure (% of property value)

- Official costs only (such as administrative fees, duties and taxes).
- Value Added Tax, Capital Gains Tax and illicit payments are excluded

Quality of land administration index (0-30)

- Reliability of infrastructure index (0-8)
- Transparency of information index (0-6)
- Geographic coverage index (0-8)
- Land dispute resolution index (0-8)
- Equal access to property rights index (-2-0)

Case study assumptions

To make the data comparable across economies, several assumptions about the parties to the transaction, the property and the procedures are used.

The parties (buyer and seller):

- Are limited liability companies (or the legal equivalent).
- Are located in the periurban (that is, on the outskirts of the city but still within its official limits) area of the economy's largest business city. For 11 economies the data are also collected for the second largest business city.
- Are 100% domestically and privately owned.
- Perform general commercial activities.

The property (fully owned by the seller):

- Has a value of 50 times income per capita, which equals the sale price.
- Is fully owned by the seller.
- Has no mortgages attached and has been under the same ownership for the past 10 years.
- Is registered in the land registry or cadastre, or both, and is free of title disputes.
- Is located in a periurban commercial zone (that is, on the outskirts of the city but still within its official limits), and no rezoning is required.
- Consists of land and a building. The land area is 557.4 square meters (6,000 square feet). A two-story warehouse of 929 square meters (10,000 square feet) is located on the land. The warehouse is 10 years old, is in good condition, has no heating system and complies with all safety standards, building codes and legal requirements. The property, consisting of land and building, will be transferred in its entirety.
- Will not be subject to renovations or additional construction following the purchase.
- Has no trees, natural water sources, natural reserves or historical monuments of any kind.
- Will not be used for special purposes, and no special permits, such as for residential use, industrial plants, waste storage or certain types of agricultural activities, are required.
- Has no occupants, and no other party holds a legal interest in it.

Registering Property - Jakarta

Indicator	Jakarta	East Asia & Pacific	OECD high income	Best Regulatory Performance
Procedures (number)	6	5.5	4.7	1 (5 Economies)
Time (days)	28	71.9	23.6	1 (2 Economies)
Cost (% of property value)	8.5	4.5	4.2	0.0 (Saudi Arabia)
Quality of the land administration index (0-30)	15.5	16.2	23.2	None in 2018/19

Figure - Registering Property in Jakarta - Score

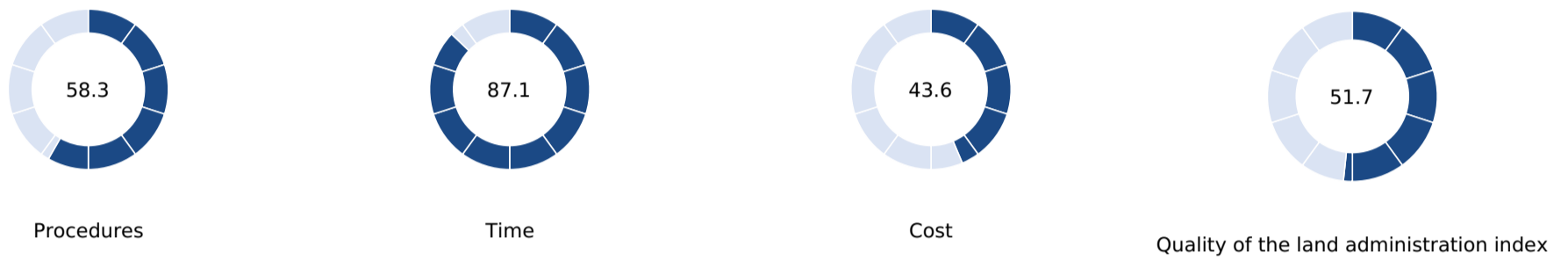
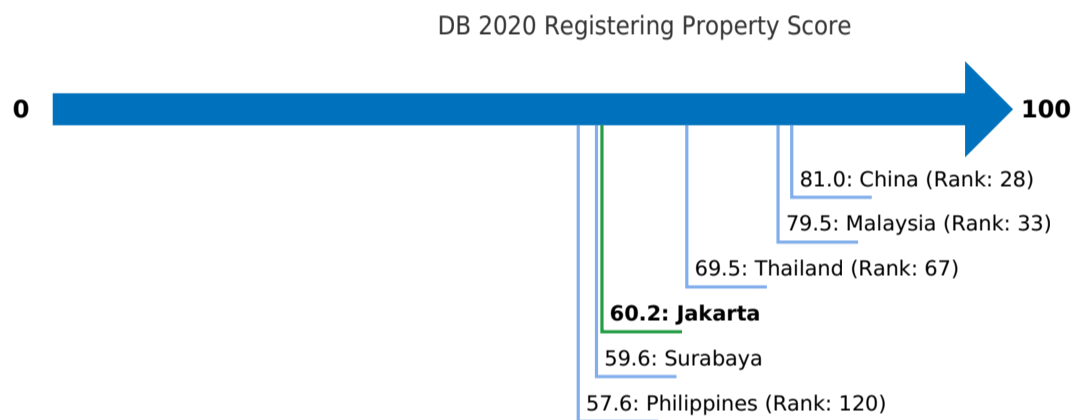
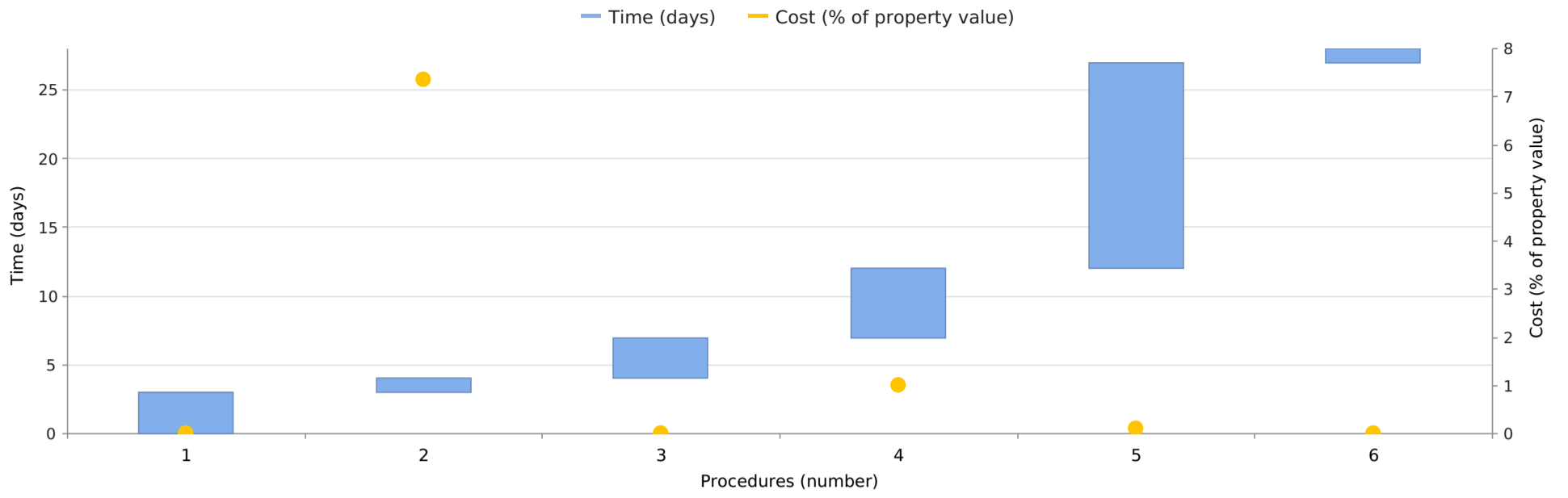


Figure - Registering Property in Jakarta and comparator economies - Ranking and Score



Note: The ranking of economies on the ease of registering property is determined by sorting their scores for registering property. These scores are the simple average of the scores for each of the component indicators.

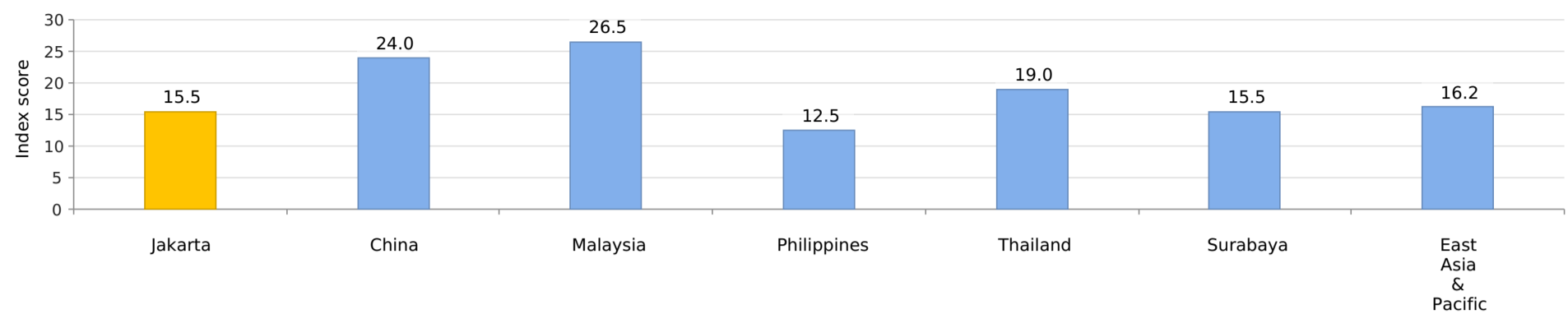
Figure - Registering Property in Jakarta - Procedure, Time and Cost



*This symbol is shown beside procedure numbers that take place simultaneously with the previous procedure.

Note: Online procedures account for 0.5 days in the total time calculation. For economies that have a different procedure list for men and women, the graph shows the time for women. For more information on methodology, see the *Doing Business* website (<http://doingbusiness.org/en/methodology>). For details on the procedures reflected here, see the summary below.

Figure - Registering Property in Jakarta and comparator economies - Measure of Quality



Details - Registering Property in Jakarta - Procedure, Time and Cost

No.	Procedures	Time to Complete	Associated Costs
1	<p>Land certificate examination at the Land Office <i>Agency: Land Office</i> A land certificate examination is carried out by a Land Deed Official. If the land book concerned is available at the Land Office, it usually takes a few hours to 1 day. However, since the majority of land records are still kept in paper format, sometimes the land book is unavailable, misplaced or being used by another division of the Land Office, so then the examination process will be pending, and it usually takes a few days to obtain the information from the Land Office. The land title search would also involve a check at the local city planning office located at the local government office to determine the intended use of the said plot of land, whether for residences, industry or green belt. No written statement is given, but a note made on the certificate saying 'Has been examined and in accordance with the register at the Land Office'. Even if the land certificate examination could be requested online, the user needs to go directly to the Land Registry for picking up the official valid signed document. If the user prefers to demand the document personally, the fee needs to be paid first at the bank, and the receipt taken to the Land Office for starting the examination.</p>	3 days	IDR 50,000
2	<p>Payment of the transfer and acquisition taxes <i>Agency: Bank</i> The seller must pay the Transfer Tax before the execution of the transfer deed. The tax on Transfer of Land and Building (Transfer Tax) in the amount of 2.5% which is calculated on the sale or Sales Value of the Tax Object ("NJOP"). If the sale value is higher than the NJOP, then the sale value will be used. If the sale value is lower than the NJOP, then the NJOP value will be used. The Transfer Tax is paid to a Bank Persepsi - bank appointed by the Ministry of Finance to accept tax payments and it's collected by the Central Government.</p> <p>The buyer must pay the Tax on Acquisition of Land and Building (BPHTB) in the amount of 5% of the sale value or Transfer value ("NPOP"). If the Sale value is higher than the NPOP, then the sale value will be used. If the sale value is lower than the NPOP, then the NPOP value will be used. Tax to the local government is paid at the Local Government Bank (Bank Badan Usaha Milik Daerah) and/or another private commercial bank (Article 4.2 of Law No. 7/1983, amended by Law No. 10/1994 and Law 17/2000 concerning Income Tax and Parts 2.1 and 5.1 of the Director-General of Taxation Circular No. SE-04/P.J.33/1996 dated August 26, 1996).</p> <p>The BPHTB Formula: The buyer pays the BPHTB in the amount of 5% x Sale value or Transfer value (Nilai Perolehan Obyek Pajak or NPOP) minus the Non-Taxable Sale Value (Nilai Perolehan Obyek Pajak Tidak Kena Pajak or NPOPTKP), which is determined regionally (According to Article 7 of Law No. 20/2000 concerning the amendment of Law No. 21/1997 concerning the Tax on Acquisition of Land and Building). In Jakarta, the NPOPTKP is Rp. 80,000,000 (according to Article 5 paragraph 7 of the Regional Decree of Special Province of Jakarta No. 18/2010 concerning the Tax on Acquisition of Land and Building (BPHTB)).</p> <p>Since January 2017, payment of income tax from the transaction can be conducted online based on the Director General of Taxation Regulation No.PER-26/PJ/2014 on Electronic Tax Payment System. However, the procedure couldn't be done in less than a day since UPPRD shall instruct officers in their respective units to verify the document sent electronically as soon as they received it through online BPHTB collection system; and validate proof of payment in SSPD BPHTB immediately upon receipt through BPHTB collection system online.</p>	1 day	IDR 197,638,241.12; (2.5% of the property price (Transfer Tax) + 5% of the property price minus Rp. 80,000,000 which is tax-free (Tax on Acquisition of Land and Building))
3	<p>Validation of Transfer Tax payment with the Central Tax Office (Kantor Pelayan Pajak) <i>Agency: Central Tax Office (Kantor Pelayan Pajak- KPP)</i> The seller applies to perform formal verification on income tax payment at the Central Tax Office (KPP). KPP will issue a formal research certificate that should be presented to the PPAT official as a requirement for the signature of the land deed. As per Article 5 of Director General of Tax Regulation No. Per-18/PJ/2017 the authorized official can sign the deed, decision, agreement, or minutes on the transfer of rights to the land and/or building only after receiving the formal research certificate. Length of verification until the issuance of the letter is 3 business days according to the Director General of Tax Regulation No. Per-26/PJ/2018.</p> <p>This validation is not required for the Tax on Acquisition of Land and Building (BPHTB) since the Regional tax office collects it directly through online payment (General of Taxation Regulation No.PER-26/PJ/2014 on Electronic Tax Payment System)</p>	3 days	no charge

4	<p>Execution of sale and purchase of Land Deed by a PPAT official <i>Agency</i> : Land Deed/PPAT Official</p> <p>The execution of the sale and purchase of Land Deed is made before Land Officials (who are often public notaries as well) appointed by the Head of the National Land Office (PPAT) or a local Head of a District (Camat PPAT), after the taxes in Procedures 3 and 4 have been paid. For convenience, those payments are usually made by the notary three days before the execution of the sale-purchase deed. The PPAT obtains an appointment with the Land Office using the online platform (loket.bpn.go.id) to register the land deed.</p> <p>The documentation shall include:</p> <ul style="list-style-type: none"> (i) Original land certificate (ii) Evidence of the latest payment of Tax on Land and Building (PBB). Every year, the local PBB Tax Office issues a tax assessment to landowners. By custom, the buyer usually wants to obtain the original of the payment of PBB for the past three years and utility bills for the last three months--though in practice the office will check the previous 10 years. The Land Deed Officer drawing up the sale and purchase deed will only need to see the most recent PBB while the Land Office will need a copy of the most recent PBB for registering the land into the name of the new owner. (iii) Evidence of payment of Tax on Transfer of Land and Building (Transfer Tax) (iv) Proof of deed of Company Establishment which was already authorized by the Ministry of Justice (v) Company Tax-Registration Numbers (NPWP) of the seller and the purchaser (vi) Deed of Establishment and its amendments of both the seller and purchaser; (vii) Corporate approvals of the seller to dispose of the land and the purchaser to acquire the property as required by the Articles of Association of both the seller and purchaser (viii) Advise Planning from the City Administration Institution (ix) Permit for Building Establishment 	5 days	IDR 26,885,098.82; (1% of the property value)
5	<p>Registration of the Land Deed at the local Land Office under the name of the buyer <i>Agency</i> : Land Office</p> <p>Registration of the Land Deed at the local Land Office to have the purchaser's name registered and recorded in the land certificate. At the latest of 7 (seven) days as of the signing date of the sale and purchase of Land Deed, the notary submits such deed including its supporting documents to the Land Office, but in practice, the wait is much longer because of the backlog. (Article 40 sub 1 of Government Regulation No. 24/1997 concerning the Land Registration). In theory, the registration process should be completed within the 5 days statutory time limit, but in practice, it could take up to 15 days. The Land Office crosses out the name of the previous owner and inserts the name of the buyer, stamps and signs it.</p>	15 days	IDR 2,750,510; (1/1000 of the property value + Rp. 50,000 (administrative fee) + Stamp duty of Rp. 6,000 per document (2 required))
6	<p>Registration of the Land Deed at the Jakarta Regional Government Revenue Office under the name of a buyer <i>Agency</i> : Jakarta Regional Government Revenue Office ("Regional Tax Office")</p> <p>In connection with the registration of the Land Deed at the Tax on Land and Building Office, the change of ownership must be registered with the Tax Office. The taxpayer should report manually to the Tax Office about the transfer of land title.</p>	1 day	no charge

⇒ Takes place simultaneously with previous procedure.

Details - Registering Property in Jakarta - Measure of Quality

	Answer	Score
Quality of the land administration index (0-30)		15.5
Reliability of infrastructure index (0-8)		5.0
Type of land registration system in the economy:	Title Registration System	
What is the institution in charge of immovable property registration?	Badan Pertanahan Nasional (BPN, National Land Agency) / Kantor Pertanahan (Land Office)	
In what format are past and newly issued land records kept at the immovable property registry of the largest business city of the economy—in a paper format or in a computerized format (scanned or fully digital)?	Paper	0.0
Is there a comprehensive and functional electronic database for checking for encumbrances (liens, mortgages, restrictions and the like)?	No	0.0
Institution in charge of the plans showing legal boundaries in the largest business city:	Badan Pertanahan Nasional/Land Office (Kantor Kota Administrasi Jakarta Pusat)	
In what format are past and newly issued cadastral plans kept at the mapping agency of the largest business city of the economy—in a paper format or in a computerized format (scanned or fully digital)?	Computer/Fully digital	2.0
Is there an electronic database for recording boundaries, checking plans and providing cadastral information (geographic information system)?	Yes	1.0
Is the information recorded by the immovable property registration agency and the cadastral or mapping agency kept in a single database, in different but linked databases or in separate databases?	Different databases but linked	1.0
Do the immovable property registration agency and cadastral or mapping agency use the same identification number for properties?	Yes	1.0
Transparency of information index (0-6)		3.0
Who is able to obtain information on land ownership at the agency in charge of immovable property registration in the largest business city?	Only intermediaries and interested parties	0.0
Is the list of documents that are required to complete any type of property transaction made publicly available—and if so, how?	Yes, online	0.5
Link for online access:	https://www.atrbpn.go.id/Publikasi/Standar-Prosedur	
Is the applicable fee schedule for any type of property transaction at the agency in charge of immovable property registration in the largest business city made publicly available—and if so, how?	Yes, online	0.5
Link for online access:	https://www.atrbpn.go.id/Publikasi/Standar-Prosedur	
Does the agency in charge of immovable property registration agency formally commit to deliver a legally binding document that proves property ownership within a specific timeframe –and if so, how does it communicate the service standard?	Yes, online	0.5
Link for online access:	https://www.atrbpn.go.id/Publikasi/Standar-Prosedur	
Is there a specific and independent mechanism for filing complaints about a problem that occurred at the agency in charge of immovable property registration?	No	0.0
Contact information:		
Are there publicly available official statistics tracking the number of transactions at the immovable property registration agency?	Yes	0.5
Number of property transfers in the largest business city in 2018:	44.6	

Who is able to consult maps of land plots in the largest business city?	Only intermediaries and interested parties	0.0
Is the applicable fee schedule for accessing maps of land plots made publicly available—and if so, how?	Yes, online	0.5
Link for online access:	https://www.atrbpn.go.id/Publikasi/Standar-Prosedur	
Does the cadastral/mapping agency formally specifies the timeframe to deliver an updated cadastral plan—and if so, how does it communicate the service standard?	Yes, online	0.5
Link for online access:	https://www.atrbpn.go.id/Publikasi/Standar-Prosedur	
Is there a specific and independent mechanism for filing complaints about a problem that occurred at the cadastral or mapping agency?	No	0.0
Contact information:		
Geographic coverage index (0-8)		0.0
Are all privately held land plots in the largest business city formally registered at the immovable property registry?	No	0.0
Are all privately held land plots in the economy formally registered at the immovable property registry?	No	0.0
Are all privately held land plots in the largest business city mapped?	No	0.0
Are all privately held land plots in the economy mapped?	No	0.0
Land dispute resolution index (0-8)		7.5
Does the law require that all property sale transactions be registered at the immovable property registry to make them opposable to third parties?	Yes	1.5
Legal basis:	Article 37, paragraph 1 Government Regulation (PP) No. 24/1997 "land registration" The sale purchase should be defined as legal action in the form of a permanent conveyance of land by the seller to the purchaser. If the sale purchase is completed, then registration is simply the task of entering the transaction to the Land Book and the issuance of a certificate. The registration becomes strong evidence of the land conveyancing and is also public information Article 19 of Law No. 5/1960 "To ensure the legal certainty by the Government shall be conducted land registration throughout the territory of Republic of Indonesia subject to the provisions regulated by the Government Regulation"	
Is the system of immovable property registration subject to a state or private guarantee?	Yes	0.5

Type of guarantee:	State guarantee	
Legal basis:	<p>The Government Regulation on Land Registration (No. 24 of 1997) proclaims that too guarantee legal certainty the Government is to implement land registration throughout the whole territory of the Republic of Indonesia in accordance with provisions which are to be stipulated by way of a Government Regulation. (2) The registration referred to in paragraph 1 of this Article includes the following: a. the surveying, mapping, and recording of land in a book; b. registration of rights on land and of transfers of the said rights; and c. granting documentary instruments of evidence of right, which shall serve as strong instruments of evidence. (3) Land registration is to be implemented by taking into account the condition of the State and of the society, the needs for socio-economic movements, and the possibility of implementing it, according to the Minister of Agrarian Affairs' considerations. (4) The fees pertaining to the land registration referred to in paragraph (1) shall be regulated by way of a Government Regulation with a provision exempting the financially incapable from the said fees.</p>	
Is there a is a specific, out-of-court compensation mechanism to cover for losses incurred by parties who engaged in good faith in a property transaction based on erroneous information certified by the immovable property registry?	No	0.0
Legal basis:		
Does the legal system require a control of legality of the documents necessary for a property transaction (e.g., checking the compliance of contracts with requirements of the law)?	Yes	0.5
If yes, who is responsible for checking the legality of the documents?	Registrar; Notary;	
Does the legal system require verification of the identity of the parties to a property transaction?	Yes	0.5
If yes, who is responsible for verifying the identity of the parties?	Registrar; Notary;	
Is there a national database to verify the accuracy of government issued identity documents?	Yes	1.0

What is the Court of first instance in charge of a case involving a standard land dispute between two local businesses over tenure rights for a property worth 50 times gross national income (GNI) per capita and located in the largest business city?	District Court or Arbitration	
How long does it take on average to obtain a decision from the first-instance court for such a case (without appeal)?	Less than a year	3.0
Are there publicly available statistics on the number of land disputes at the economy level in the first instance court?	Yes	0.5
Number of land disputes in the economy in 2018:	Around 1.861 cases	
Equal access to property rights index (-2-0)		0.0
Do unmarried men and unmarried women have equal ownership rights to property?	Yes	
Do married men and married women have equal ownership rights to property?	Yes	0.0

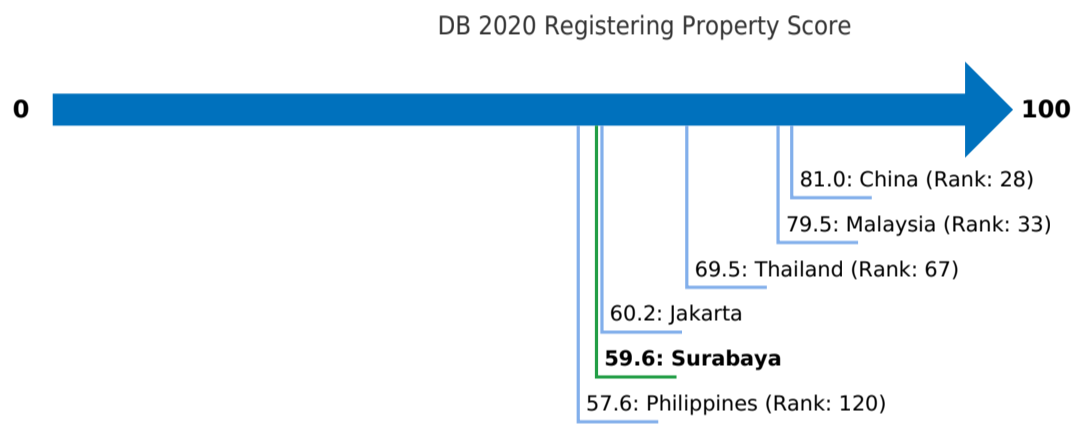
Registering Property - Surabaya

Indicator	Surabaya	East Asia & Pacific	OECD high income	Best Regulatory Performance
Procedures (number)	6	5.5	4.7	1 (5 Economies)
Time (days)	40	71.9	23.6	1 (2 Economies)
Cost (% of property value)	8.0	4.5	4.2	0.0 (Saudi Arabia)
Quality of the land administration index (0-30)	15.5	16.2	23.2	None in 2018/19

Figure - Registering Property in Surabaya - Score

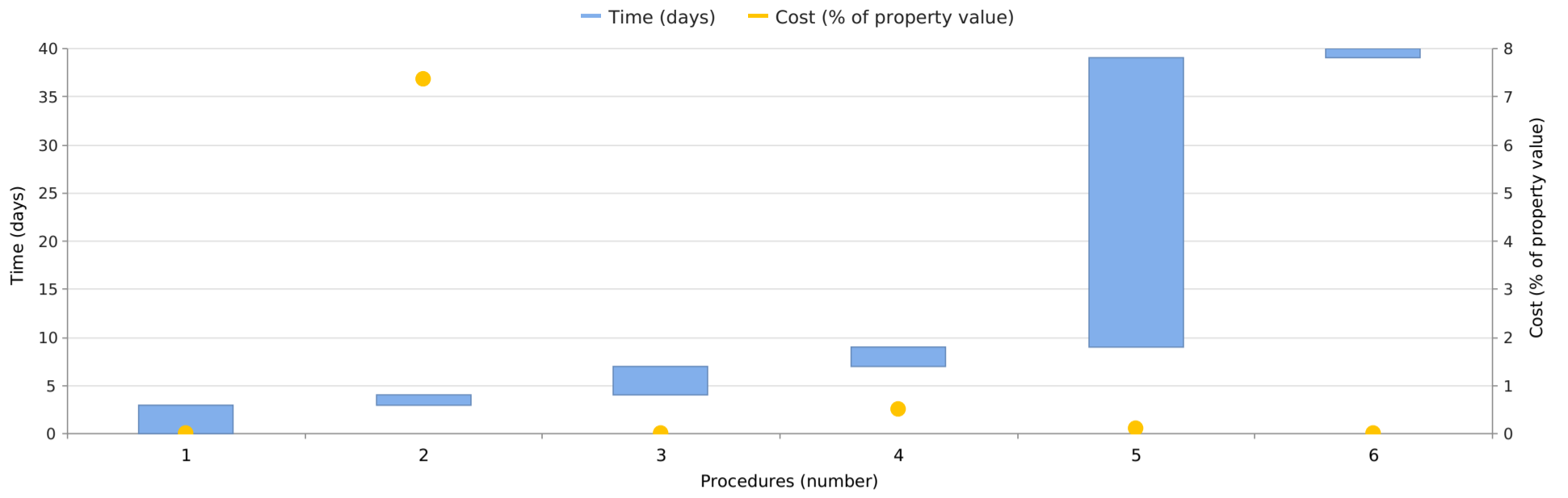


Figure - Registering Property in Surabaya and comparator economies - Ranking and Score



Note: The ranking of economies on the ease of registering property is determined by sorting their scores for registering property. These scores are the simple average of the scores for each of the component indicators.

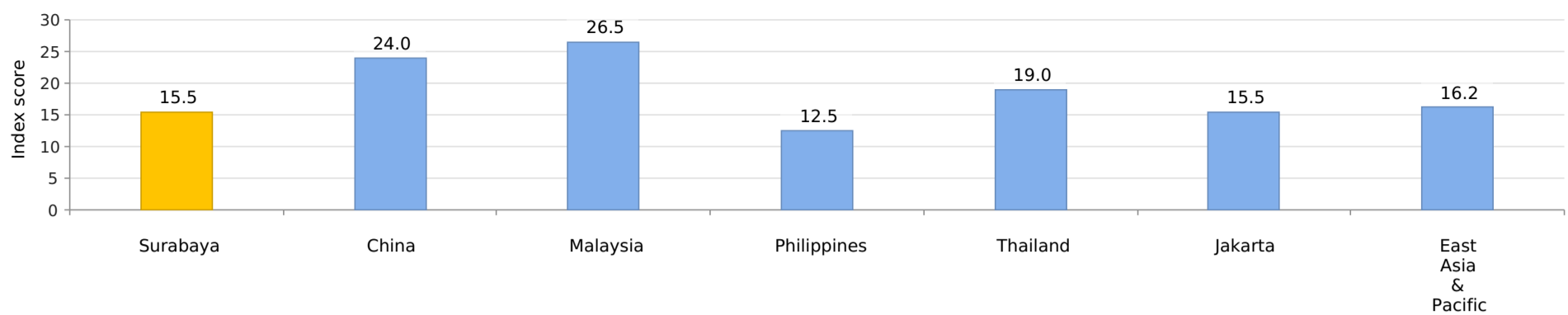
Figure - Registering Property in Surabaya - Procedure, Time and Cost



*This symbol is shown beside procedure numbers that take place simultaneously with the previous procedure.

Note: Online procedures account for 0.5 days in the total time calculation. For economies that have a different procedure list for men and women, the graph shows the time for women. For more information on methodology, see the *Doing Business* website (<http://doingbusiness.org/en/methodology>). For details on the procedures reflected here, see the summary below.

Figure - Registering Property in Surabaya and comparator economies - Measure of Quality



Details - Registering Property in Surabaya - Procedure, Time and Cost

No.	Procedures	Time to Complete	Associated Costs
1	<p>Land certificate examination at the local Land Office (BPN) <i>Agency: Land Office</i> A land certificate examination is carried out by a Land Deed Official. If the land book concerned is available at the Land Office, it usually takes 1 day. However, sometimes the land book is unavailable, misplaced or being used by another division of the Land Office, so then the examination process will be pending, and it usually takes a few days to obtain the information from the Land Office. The Regulation of the National Land Agency Number 1 of 2010 stipulates the requirements to examine the land certificate:</p> <ol style="list-style-type: none"> Land Ownership Certificate; Copy of the applicant's identification or its proxy; Letter of request from the Land Deed Official (PPAT) for the transfer of rights by the Deed of the Land Deed Officer. <p>The land title search would also involve a check at the local City Planning Office, located at the local government office, to determine the intended use of the said plot of land, whether for residences, industry or green belt. No written statement is given, but a note made on the certificate saying 'Has been examined and according to the Land Registry/ Land Book at the Land Office, dated_____, time _____' and initialed by the officer at the Land Office.</p>	3 days	IDR 50,000
2	<p>Payment of the transfer and acquisition tax <i>Agency: Commercial Bank</i> The seller pays the Tax on Transfer of Land and Building (Transfer Tax) in the amount of 2.5% which is calculated on the transfer value. Taxes to the central government can be paid at any commercial bank.</p> <p>The buyer pays the Tax on Acquisition of Land and Building (BPHTB) in the amount of 5% x [(transfer value or sale value or Nilai Perolehan Obyek Pajak (NPOP)) - (non-taxable sale value or Nilai Perolehan Obyek Pajak Tidak Kena Pajak (NPOPTKP))]. According to the law on Local Tax (Law No. 28/2009), the BPHTB belongs to the local government. Taxes to the local government are paid at a Local Government Bank (as per Article 4.2 of Law No. 7/1983, amended by Law No. 10/1994 and Law 17/2000 concerning Income Tax and Parts 2.1 and 5.1 of the Director General of Taxation Circular No. SE-04/P.J.33/1996 dated August 26, 1996). Article 87 point 4 of the Law sets a minimum value for the NPOPTKP at IDR 60,000,000. For Surabaya, the local regulation (Perda No. 11/2010) stipulates a NPOPTKP of IDR 75,000,000.</p>	1 day	IDR 197,888,241.12; (Seller pays 2.5% of property value and buyer pays 5% of the property minus Rp. 75 million, which is tax-free)
3	<p>Validation of Transfer Tax payment with the Central Tax Office (Kantor Pelayan Pajak) <i>Agency: Central Tax Office (Kantor Pelayan Pajak- KPP)</i> The seller applies to perform formal verification on income tax payment at the Central Tax Office (KPP). KPP will issue a formal research certificate that should be presented to the PPAT official as a requirement for the signature of the land deed. As per Article 5 of Director General of Tax Regulation No. Per-18/PJ/2017 the authorized official can sign the deed, decision, agreement, or minutes on the transfer of rights to the land and/or building only after receiving the formal research certificate. Length of verification until the issuance of the letter is 3 business days according to the Director General of Tax Regulation No. Per-26/PJ/2018.</p>	3 days	no charge

4	<p>Execution of sale and purchase agreement of Land Deed by a Land Deed Official (PPAT) appointed by the Head of the National Land Office or a local Head of a Sub-District</p> <p><i>Agency</i> : Land deed official</p> <p>The execution of the sale and purchase of the Land Deed is made before Land Officials, namely a Land Deed Official (PPAT) appointed by the Head of the National Land Office after the taxes in procedures 3 and 4 have been paid. The documentation shall include:</p> <ul style="list-style-type: none"> a. Original land certificate; b. Evidence of the latest payment of Tax on Land and Building (PBB). Every year, the local PBB Tax Office issues a tax assessment to landowners. By custom, the buyer usually wants to obtain the original of the payment of PBB for the past three years and utility bills for the last three months--though in practice the office will check the last 10 years. The Land Deed Officer drawing up the sale and purchase deed will only need to see the most recent PBB while the Land Office will need a copy of the most recent PBB for registering the land into the name of the new owner; c. Evidence of payment of the Tax on Transfer of Land and Building (Transfer Tax) (obtained in Procedure 2); d. Proof of payment of the Tax on Acquisition of Land and Building (BPHTB) (obtained in Procedure 3); e. Evidence of deed of Company Establishment which was already authorized by the Ministry of Law and Human Rights; f. Company Tax-Registration Numbers (NPWP) of the seller and the purchaser g. Deed of Establishment and its amendments of both the seller and purchaser; h. Corporate approvals of the seller to dispose of the land and the purchaser to acquire the land as required in the Articles of Association of both the seller and purchaser; i. Advise Planning from the City Administration Institution; j. Permit for Building Establishment. (h) Copy of buyer and seller's identification cards 	2 days	IDR 13,442,549.41; (0.5% of property value)
5	<p>Registration of the Land Deed at the local Land Office (BPN) under the name of the buyer</p> <p><i>Agency</i> : Land Office</p> <p>After the buyer submits the registration of the Land Deed, she/he leaves it there and has to return some days later to pick up the Land Deed that has been registered under the buyer's name. In between submission of the deed and pick-up, the buyer has to phone the Officer at the Land Office to ask about the progress. The Land Office crosses out the name of the previous owner and inserts the name of the buyer, stamps and signs it.</p>	30 days	IDR 2,750,510; (1/1000 of the property value + Rp. 50,000 (administrative fee) + Stamp duty of Rp. 6,000 per document (2 required))
6	<p>Registration of the Land Deed at the Surabaya Regional Government Revenue Office under the name of a buyer</p> <p><i>Agency</i> : Regional Government Revenue Office</p> <p>In connection with the registration of the Land Deed, the change of ownership must be registered with the Land and Building Tax Office (PBB). Surabaya Regional Government Revenue Office. The taxpayer reports the transfer of land title. He must present a copy of his identification card and the new land deed.</p>	1 day	no charge

→ Takes place simultaneously with previous procedure.

Details - Registering Property in Surabaya - Measure of Quality

	Answer	Score
Quality of the land administration index (0-30)		15.5
Reliability of infrastructure index (0-8)		5.0
Type of land registration system in the economy:	Title Registration System	
What is the institution in charge of immovable property registration?	Badan Pertanahan Nasional (BPN, National Land Agency) / Kantor Pertanahan (Land Office)	
In what format are past and newly issued land records kept at the immovable property registry of the largest business city of the economy—in a paper format or in a computerized format (scanned or fully digital)?	Paper	0.0
Is there a comprehensive and functional electronic database for checking for encumbrances (liens, mortgages, restrictions and the like)?	No	0.0
Institution in charge of the plans showing legal boundaries in the largest business city:	Land Office (Kantor Pertanahan)	
In what format are past and newly issued cadastral plans kept at the mapping agency of the largest business city of the economy—in a paper format or in a computerized format (scanned or fully digital)?	Computer/Fully digital	2.0
Is there an electronic database for recording boundaries, checking plans and providing cadastral information (geographic information system)?	Yes	1.0
Is the information recorded by the immovable property registration agency and the cadastral or mapping agency kept in a single database, in different but linked databases or in separate databases?	Different databases but linked	1.0
Do the immovable property registration agency and cadastral or mapping agency use the same identification number for properties?	Yes	1.0
Transparency of information index (0-6)		3.0
Who is able to obtain information on land ownership at the agency in charge of immovable property registration in the largest business city?	Only intermediaries and interested parties	0.0
Is the list of documents that are required to complete any type of property transaction made publicly available—and if so, how?	Yes, online	0.5
Link for online access:	https://www.atrbpn.go.id/Publikasi/Standar-Prosedur	
Is the applicable fee schedule for any type of property transaction at the agency in charge of immovable property registration in the largest business city made publicly available—and if so, how?	Yes, online	0.5
Link for online access:	https://www.atrbpn.go.id/Publikasi/STATISTIK/DATA-PERALIHAN	
Does the agency in charge of immovable property registration agency formally commit to deliver a legally binding document that proves property ownership within a specific timeframe –and if so, how does it communicate the service standard?	Yes, online	0.5
Link for online access:	https://www.atrbpn.go.id/Publikasi/Standar-Prosedur	
Is there a specific and independent mechanism for filing complaints about a problem that occurred at the agency in charge of immovable property registration?	No	0.0
Contact information:		
Are there publicly available official statistics tracking the number of transactions at the immovable property registration agency?	Yes	0.5
Number of property transfers in the largest business city in 2018:		
Who is able to consult maps of land plots in the largest business city?	Only intermediaries and interested parties	0.0

Is the applicable fee schedule for accessing maps of land plots made publicly available—and if so, how?	Yes, online	0.5
Link for online access:	https://www.atrbpn.go.id/Publikasi/Standar-Prosedur	
Does the cadastral/mapping agency formally specifies the timeframe to deliver an updated cadastral plan—and if so, how does it communicate the service standard?	Yes, online	0.5
Link for online access:	https://www.atrbpn.go.id/Publikasi/Standar-Prosedur	
Is there a specific and independent mechanism for filing complaints about a problem that occurred at the cadastral or mapping agency?	No	0.0
Contact information:		
Geographic coverage index (0-8)		0.0
Are all privately held land plots in the largest business city formally registered at the immovable property registry?	No	0.0
Are all privately held land plots in the economy formally registered at the immovable property registry?	No	0.0
Are all privately held land plots in the largest business city mapped?	No	0.0
Are all privately held land plots in the economy mapped?	No	0.0
Land dispute resolution index (0-8)		7.5
Does the law require that all property sale transactions be registered at the immovable property registry to make them opposable to third parties?	Yes	1.5
Legal basis:	Article 37, paragraph 1 Government Regulation (PP) No. 24/1997 "land registration" The sale purchase should be defined as legal action in the form of a permanent conveyance of land by the seller to the purchaser. If the sale purchase is completed, then registration is simply the task of entering the transaction to the Land Book and the issuance of a certificate. The registration becomes strong evidence of the land conveyancing and is also public information Article 19 of Law No. 5/1960 "To ensure the legal certainty by the Government shall be conducted land registration throughout the territory of Republic of Indonesia subject to the provisions regulated by the Government Regulation"	
Is the system of immovable property registration subject to a state or private guarantee?	Yes	0.5
Type of guarantee:	State guarantee	

Legal basis:	The Government Regulation on Land Registration (No. 24 of 1997) proclaims that too guarantee legal certainty the Government is to implement land registration throughout the whole territory of the Republic of Indonesia in accordance with provisions which are to be stipulated by way of a Government Regulation. (2) The registration referred to in paragraph 1 of this Article includes the following: a. the surveying, mapping, and recording of land in a book; b. registration of rights on land and of transfers of the said rights; and c. granting documentary instruments of evidence of right, which shall serve as strong instruments of evidence. (3) Land registration is to be implemented by taking into account the condition of the State and of the society, the needs for socio-economic movements, and the possibility of implementing it, according to the Minister of Agrarian Affairs' considerations. (4) The fees pertaining to the land registration referred to in paragraph (1) shall be regulated by way of a Government Regulation with a provision exempting the financially incapable from the said fees.	
Is there a is a specific, out-of-court compensation mechanism to cover for losses incurred by parties who engaged in good faith in a property transaction based on erroneous information certified by the immovable property registry?	No	0.0
Legal basis:		
Does the legal system require a control of legality of the documents necessary for a property transaction (e.g., checking the compliance of contracts with requirements of the law)?	Yes	0.5
If yes, who is responsible for checking the legality of the documents?	Registrar; Notary;	
Does the legal system require verification of the identity of the parties to a property transaction?	Yes	0.5
If yes, who is responsible for verifying the identity of the parties?	Registrar; Notary;	
Is there a national database to verify the accuracy of government issued identity documents?	Yes	1.0

What is the Court of first instance in charge of a case involving a standard land dispute between two local businesses over tenure rights for a property worth 50 times gross national income (GNI) per capita and located in the largest business city?	District Court	
How long does it take on average to obtain a decision from the first-instance court for such a case (without appeal)?	Less than a year	3.0
Are there publicly available statistics on the number of land disputes at the economy level in the first instance court?	Yes	0.5
Number of land disputes in the economy in 2018:	14.0	
Equal access to property rights index (-2-0)		0.0
Do unmarried men and unmarried women have equal ownership rights to property?	Yes	
Do married men and married women have equal ownership rights to property?	Yes	0.0

Getting Credit

This topic explores two sets of issues—the strength of credit reporting systems and the effectiveness of collateral and bankruptcy laws in facilitating lending. The most recent round of data collection for the project was completed in May 2019. [See the methodology for more information.](#)

What the indicators measure

Strength of legal rights index (0-12)

- Rights of borrowers and lenders through collateral laws (0-10)
- Protection of secured creditors' rights through bankruptcy laws (0-2)

Depth of credit information index (0-8)

- Scope and accessibility of credit information distributed by credit bureaus and credit registries (0-8)

Credit bureau coverage (% of adults)

- Number of individuals and firms listed in largest credit bureau as a percentage of adult population

Credit registry coverage (% of adults)

- Number of individuals and firms listed in credit registry as a percentage of adult population

Case study assumptions

Doing Business assesses the sharing of credit information and the legal rights of borrowers and lenders with respect to secured transactions through 2 sets of indicators. The depth of credit information index measures rules and practices affecting the coverage, scope and accessibility of credit information available through a credit registry or a credit bureau. The strength of legal rights index measures the degree to which collateral and bankruptcy laws protect the rights of borrowers and lenders and thus facilitate lending. For each economy it is first determined whether a unitary secured transactions system exists. Then two case scenarios, case A and case B, are used to determine how a nonpossessory security interest is created, publicized and enforced according to the law. Special emphasis is given to how the collateral registry operates (if registration of security interests is possible). The case scenarios involve a secured borrower, company ABC, and a secured lender, BizBank.

In some economies the legal framework for secured transactions will allow only case A or case B (not both) to apply. Both cases examine the same set of legal provisions relating to the use of movable collateral.

Several assumptions about the secured borrower (ABC) and lender (BizBank) are used:

- ABC is a domestic limited liability company (or its legal equivalent).
- ABC has up to 50 employees.
- ABC has its headquarters and only base of operations in the economy's largest business city. For 11 economies the data are also collected for the second largest business city.
- Both ABC and BizBank are 100% domestically owned.

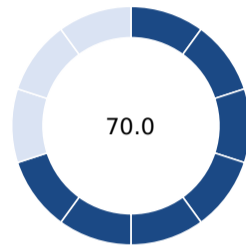
The case scenarios also involve assumptions. In case A, as collateral for the loan, ABC grants BizBank a nonpossessory security interest in one category of movable assets, for example, its machinery or its inventory. ABC wants to keep both possession and ownership of the collateral. In economies where the law does not allow nonpossessory security interests in movable property, ABC and BizBank use a fiduciary transfer-of-title arrangement (or a similar substitute for nonpossessory security interests).

In case B, ABC grants BizBank a business charge, enterprise charge, floating charge or any charge that gives BizBank a security interest over ABC's combined movable assets (or as much of ABC's movable assets as possible). ABC keeps ownership and possession of the assets.

Getting Credit - Jakarta

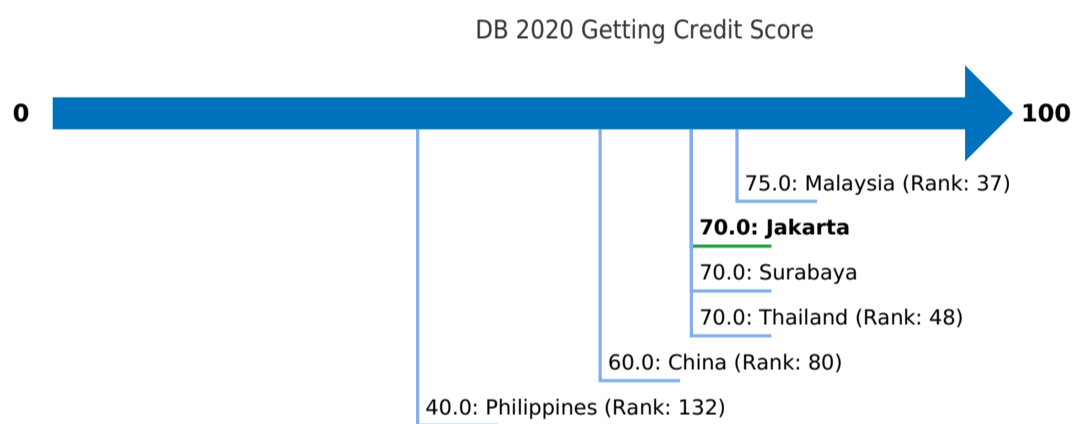
Indicator	Jakarta	East Asia & Pacific	OECD high income	Best Regulatory Performance
Strength of legal rights index (0-12)	6	7.1	6.1	12 (5 Economies)
Depth of credit information index (0-8)	8	4.5	6.8	8 (53 Economies)
Credit registry coverage (% of adults)	30.9	16.6	24.4	100.0 (2 Economies)
Credit bureau coverage (% of adults)	40.4	23.8	66.7	100.0 (14 Economies)

Figure - Getting Credit in Jakarta - Score



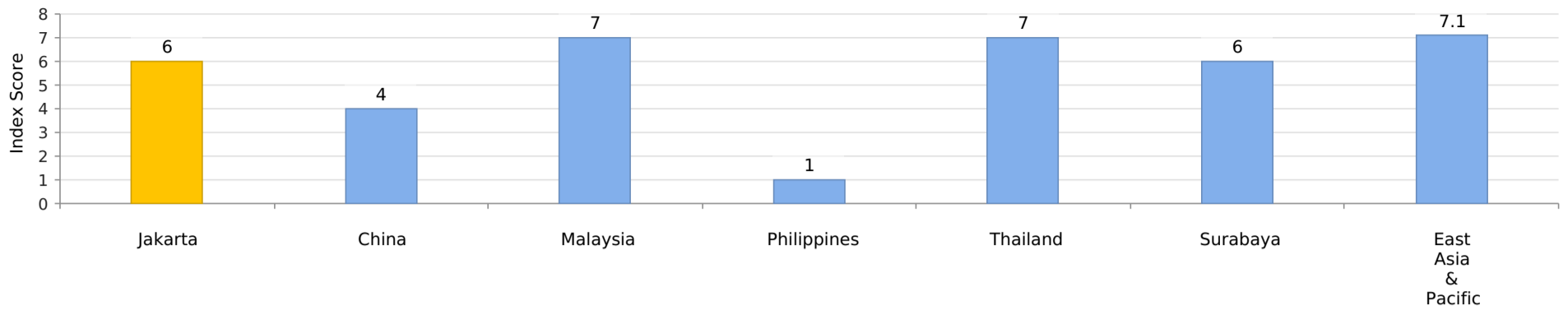
Score - Getting Credit

Figure - Getting Credit in Jakarta and comparator economies - Ranking and Score



Note: The ranking of economies on the ease of getting credit is determined by sorting their scores for getting credit. These scores are the sum of the scores for the strength of legal rights index and the depth of credit information index.

Figure - Legal Rights in Jakarta and comparator economies



Details - Legal Rights in Jakarta

Strength of legal rights index (0-12)

6

Does an integrated or unified legal framework for secured transactions that extends to the creation, publicity and enforcement of functional equivalents to security interests in movable assets exist in the economy? No

Does the law allow businesses to grant a non possessory security right in a single category of movable assets, without requiring a specific description of collateral? Yes

Does the law allow businesses to grant a non possessory security right in substantially all of its assets, without requiring a specific description of collateral? No

May a security right extend to future or after-acquired assets, and does it extend automatically to the products, proceeds and replacements of the original assets? Yes

Is a general description of debts and obligations permitted in collateral agreements; can all types of debts and obligations be secured between parties; and can the collateral agreement include a maximum amount for which the assets are encumbered? Yes

Is a collateral registry in operation for both incorporated and non-incorporated entities, that is unified geographically and by asset type, with an electronic database indexed by debtor's name? Yes

Does a notice-based collateral registry exist in which all functional equivalents can be registered? No

Does a modern collateral registry exist in which registrations, amendments, cancellations and searches can be performed online by any interested third party? Yes

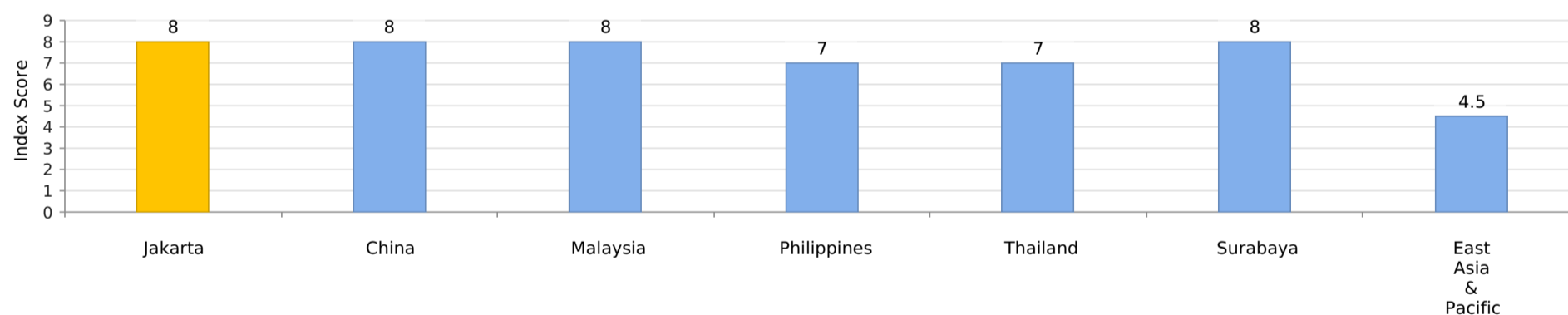
Are secured creditors paid first (i.e. before tax claims and employee claims) when a debtor defaults outside an insolvency procedure? No

Are secured creditors paid first (i.e. before tax claims and employee claims) when a business is liquidated? No

Are secured creditors subject to an automatic stay on enforcement when a debtor enters a court-supervised reorganization procedure? Does the law protect secured creditors' rights by providing clear grounds for relief from the stay and sets a time limit for it? Yes

Does the law allow parties to agree on out of court enforcement at the time a security interest is created? Does the law allow the secured creditor to sell the collateral through public auction or private tender, as well as, for the secured creditor to keep the asset in satisfaction of the debt? No

Figure - Credit Information in Jakarta and comparator economies



Details - Credit Information in Jakarta

Depth of credit information index (0-8)	Credit bureau	Credit registry	Score
Are data on both firms and individuals distributed?	Yes	Yes	1
Are both positive and negative credit data distributed?	Yes	Yes	1
Are data from retailers or utility companies - in addition to data from banks and financial institutions - distributed?	Yes	No	1
Are at least 2 years of historical data distributed? (Credit bureaus and registries that distribute more than 10 years of negative data or erase data on defaults as soon as they are repaid obtain a score of 0 for this component.)	Yes	No	1
Are data on loan amounts below 1% of income per capita distributed?	Yes	Yes	1
By law, do borrowers have the right to access their data in the credit bureau or credit registry?	Yes	Yes	1
Can banks and financial institutions access borrowers' credit information online (for example, through an online platform, a system-to-system connection or both)?	Yes	Yes	1
Are bureau or registry credit scores offered as a value-added service to help banks and financial institutions assess the creditworthiness of borrowers?	Yes	No	1

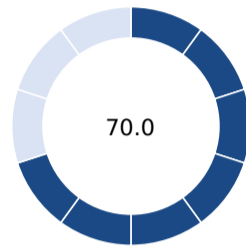
Note: An economy receives a score of 1 if there is a "yes" to either bureau or registry. If the credit bureau or registry is not operational or covers less than 5% of the adult population, the total score on the depth of credit information index is 0.

Coverage	Credit bureau	Credit registry
Number of individuals	72,475,666	55,506,693
Number of firms	474,187	298,061
Total	72,949,853	55,804,754
Percentage of adult population	40.4	30.9

Getting Credit - Surabaya

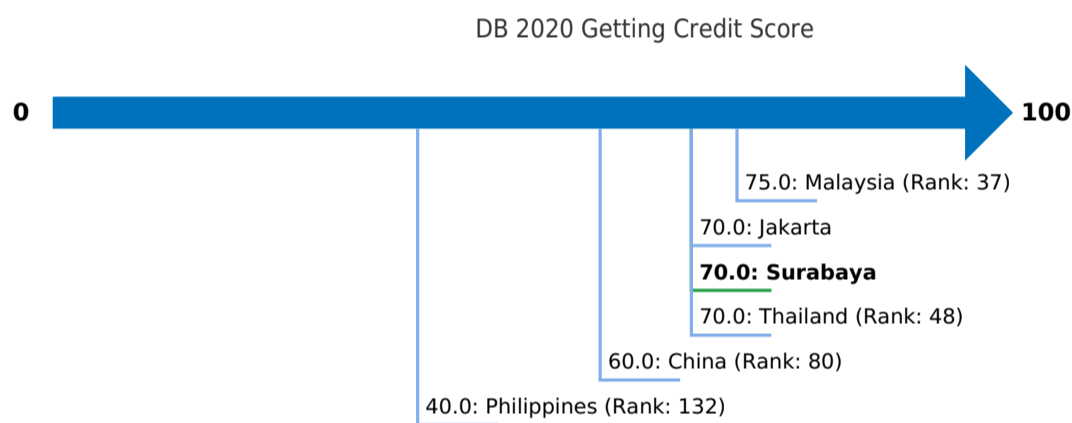
Indicator	Surabaya	East Asia & Pacific	OECD high income	Best Regulatory Performance
Strength of legal rights index (0-12)	6	7.1	6.1	12 (5 Economies)
Depth of credit information index (0-8)	8	4.5	6.8	8 (53 Economies)
Credit registry coverage (% of adults)	30.9	16.6	24.4	100.0 (2 Economies)
Credit bureau coverage (% of adults)	40.4	23.8	66.7	100.0 (14 Economies)

Figure - Getting Credit in Surabaya - Score



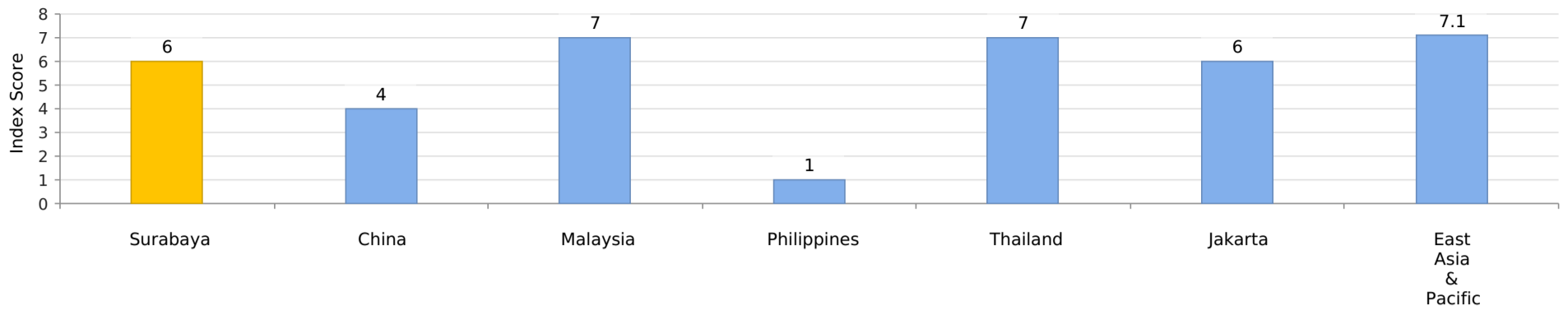
Score - Getting Credit

Figure - Getting Credit in Surabaya and comparator economies - Ranking and Score



Note: The ranking of economies on the ease of getting credit is determined by sorting their scores for getting credit. These scores are the sum of the scores for the strength of legal rights index and the depth of credit information index.

Figure - Legal Rights in Surabaya and comparator economies



Details - Legal Rights in Surabaya

Strength of legal rights index (0-12)

6

Does an integrated or unified legal framework for secured transactions that extends to the creation, publicity and enforcement of functional equivalents to security interests in movable assets exist in the economy? No

Does the law allow businesses to grant a non possessory security right in a single category of movable assets, without requiring a specific description of collateral? Yes

Does the law allow businesses to grant a non possessory security right in substantially all of its assets, without requiring a specific description of collateral? No

May a security right extend to future or after-acquired assets, and does it extend automatically to the products, proceeds and replacements of the original assets? Yes

Is a general description of debts and obligations permitted in collateral agreements; can all types of debts and obligations be secured between parties; and can the collateral agreement include a maximum amount for which the assets are encumbered? Yes

Is a collateral registry in operation for both incorporated and non-incorporated entities, that is unified geographically and by asset type, with an electronic database indexed by debtor's name? Yes

Does a notice-based collateral registry exist in which all functional equivalents can be registered? No

Does a modern collateral registry exist in which registrations, amendments, cancellations and searches can be performed online by any interested third party? Yes

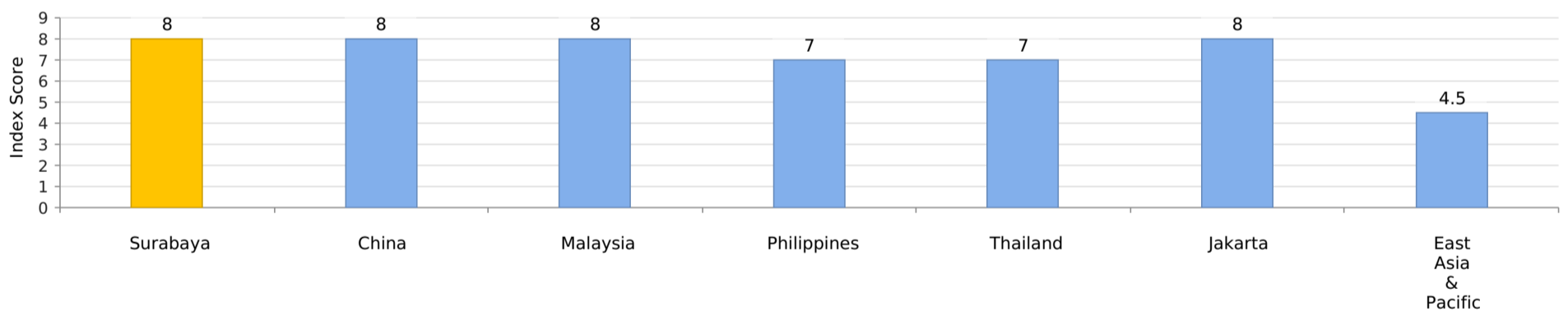
Are secured creditors paid first (i.e. before tax claims and employee claims) when a debtor defaults outside an insolvency procedure? No

Are secured creditors paid first (i.e. before tax claims and employee claims) when a business is liquidated? No

Are secured creditors subject to an automatic stay on enforcement when a debtor enters a court-supervised reorganization procedure? Does the law protect secured creditors' rights by providing clear grounds for relief from the stay and sets a time limit for it? Yes

Does the law allow parties to agree on out of court enforcement at the time a security interest is created? Does the law allow the secured creditor to sell the collateral through public auction or private tender, as well as, for the secured creditor to keep the asset in satisfaction of the debt? No

Figure - Credit Information in Surabaya and comparator economies



Details - Credit Information in Surabaya

Depth of credit information index (0-8)	Credit bureau	Credit registry	Score
Are data on both firms and individuals distributed?	Yes	Yes	1
Are both positive and negative credit data distributed?	Yes	Yes	1
Are data from retailers or utility companies - in addition to data from banks and financial institutions - distributed?	Yes	No	1
Are at least 2 years of historical data distributed? (Credit bureaus and registries that distribute more than 10 years of negative data or erase data on defaults as soon as they are repaid obtain a score of 0 for this component.)	Yes	No	1
Are data on loan amounts below 1% of income per capita distributed?	Yes	Yes	1
By law, do borrowers have the right to access their data in the credit bureau or credit registry?	Yes	Yes	1
Can banks and financial institutions access borrowers' credit information online (for example, through an online platform, a system-to-system connection or both)?	Yes	Yes	1
Are bureau or registry credit scores offered as a value-added service to help banks and financial institutions assess the creditworthiness of borrowers?	Yes	No	1

Note: An economy receives a score of 1 if there is a "yes" to either bureau or registry. If the credit bureau or registry is not operational or covers less than 5% of the adult population, the total score on the depth of credit information index is 0.

Coverage	Credit bureau	Credit registry
Number of individuals	72,475,666	55,506,693
Number of firms	474,187	298,061
Total	72,949,853	55,804,754
Percentage of adult population	40.4	30.9

Protecting Minority Investors

This topic measures the strength of minority shareholder protections against misuse of corporate assets by directors for their personal gain as well as shareholder rights, governance safeguards and corporate transparency requirements that reduce the risk of abuse. The most recent round of data collection for the project was completed in May 2019. [See the methodology for more information.](#)

What the indicators measure

- **Extent of disclosure index (0-10):** Disclosure, review, and approval requirements for related-party transactions
- **Extent of director liability index (0-10):** Ability of minority shareholders to sue and hold interested directors liable for prejudicial related-party transactions; Available legal remedies (damages, disgorgement of profits, disqualification from managerial position(s) for one year or more, rescission of the transaction)
- **Ease of shareholder suits index (0-10):** Access to internal corporate documents; Evidence obtainable during trial and allocation of legal expenses
- **Extent of conflict of interest regulation index (0-30):** Sum of the extent of disclosure, extent of director liability and ease of shareholder suits indices
- **Extent of shareholder rights index (0-6):** Shareholders' rights and role in major corporate decisions
- **Extent of ownership and control index (0-7):** Governance safeguards protecting shareholders from undue board control and entrenchment
- **Extent of corporate transparency index (0-7):** Corporate transparency on ownership stakes, compensation, audits and financial prospects
- **Extent of shareholder governance index (0-20):** Sum of the extent of shareholders rights, extent of ownership and control and extent of corporate transparency indices
- **Strength of minority investor protection index (0-50):** Sum of the extent of conflict of interest regulation and extent of shareholder governance indices

Case study assumptions

To make the data comparable across economies, a case study uses several assumptions about the business and the transaction.

The business (Buyer):

- Is a publicly traded corporation listed on the economy's most important stock exchange.
- Has a board of directors and a chief executive officer (CEO) who may legally act on behalf of Buyer where permitted, even if this is not specifically required by law.
- Has a supervisory board in economies with a two-tier board system on which Mr. James appointed 60% of the shareholder-elected members.
- Has not adopted bylaws or articles of association that go beyond the minimum requirements. Does not follow codes, principles, recommendations or guidelines that are not mandatory.
- Is a manufacturing company with its own distribution network.

The transaction involves the following details:

- Mr. James owns 60% of Buyer, sits on Buyer's board of directors and elected two directors to Buyer's five-member board.
- Mr. James also owns 90% of Seller, a company that operates a chain of retail hardware stores. Seller recently closed a large number of its stores.
- Mr. James proposes that Buyer purchase Seller's unused fleet of trucks to expand Buyer's distribution of its food products, a proposal to which Buyer agrees. The price is equal to 10% of Buyer's assets and is higher than the market value.
- The proposed transaction is part of the company's principal activity and is not outside the authority of the company.
- Buyer enters into the transaction. All required approvals are obtained, and all required disclosures made—that is, the transaction was not entered into fraudulently.
- The transaction causes damages to Buyer. Shareholders sue Mr. James and the executives and directors that approved the transaction.

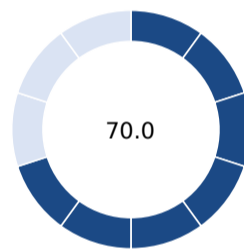
Protecting Minority Investors - Jakarta

Stock exchange information

Stock exchange	Indonesia Stock Exchange
Stock exchange URL	http://www.idx.co.id
Listed firms with equity securities	341
City Covered	Jakarta

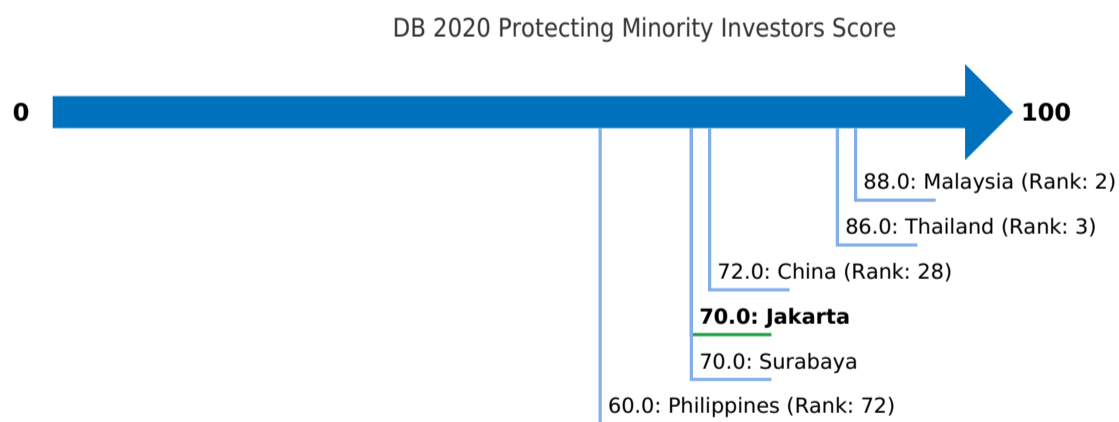
Indicator	Jakarta	East Asia & Pacific	OECD high income	Best Regulatory Performance
Extent of disclosure index (0-10)	10.0	5.9	6.5	10 (13 Economies)
Extent of director liability index (0-10)	5.0	5.2	5.3	10 (3 Economies)
Ease of shareholder suits index (0-10)	2.0	6.7	7.3	10 (Djibouti)
Extent of shareholder rights index (0-6)	5.0	2.0	4.7	6 (19 Economies)
Extent of ownership and control index (0-7)	6.0	2.4	4.5	7 (9 Economies)
Extent of corporate transparency index (0-7)	7.0	2.6	5.7	7 (13 Economies)

Figure - Protecting Minority in Jakarta - Score



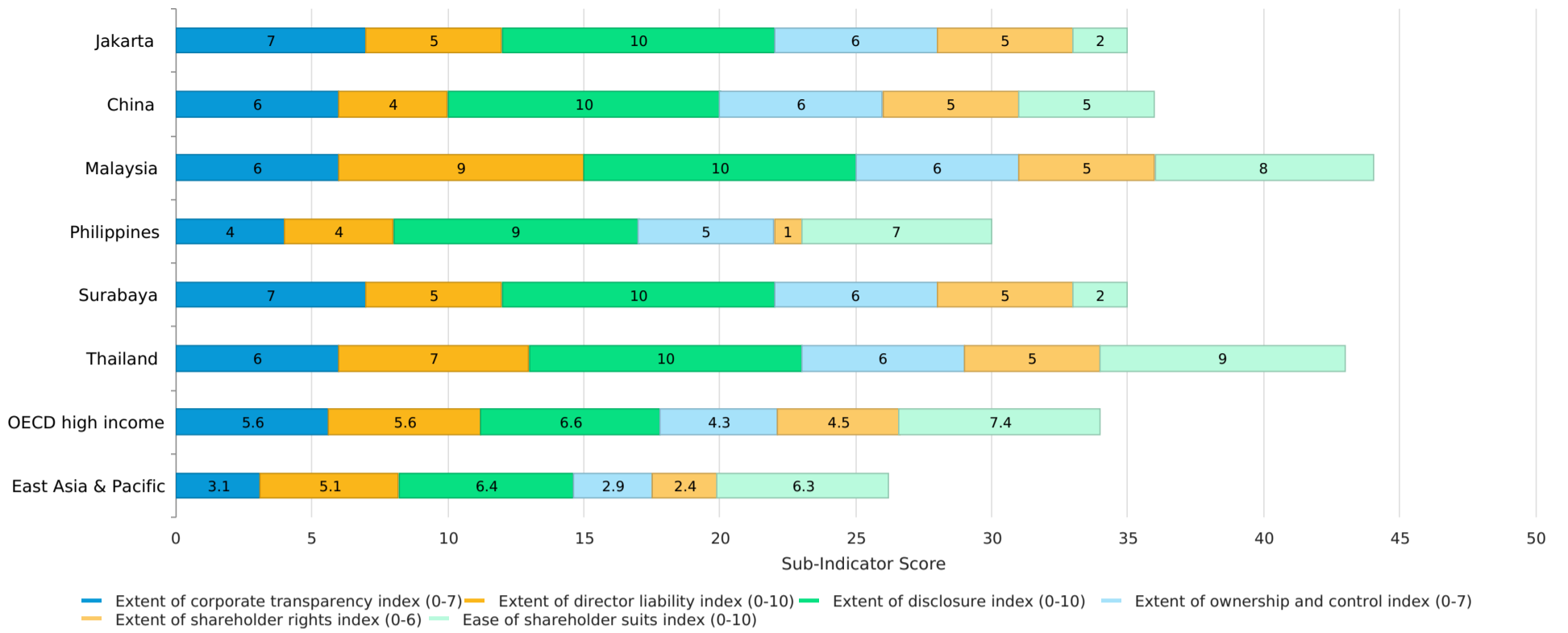
Score - Protecting Minority Investors

Figure - Protecting Minority Investors in Jakarta and comparator economies - Ranking and Score



Note: The ranking of economies on the strength of minority investor protections is determined by sorting their scores for protecting minority investors. These scores are the simple average of the scores for the extent of conflict of interest regulation index and the extent of shareholder governance index.

Figure - Protecting Minority Investors in Jakarta and comparator economies - Measure of Quality



Details - Protecting Minority Investors in Jakarta - Measure of Quality

	Answer	Score
Extent of conflict of interest regulation index (0-30)		
Extent of disclosure index (0-10)		10.0
Whose decision is sufficient to approve the Buyer-Seller transaction? (0-3)	Shareholders excluding interested parties	3.0
Must an external body review the terms of the transaction before it takes place? (0-1)	Yes	1.0
Must Mr. James disclose his conflict of interest to the board of directors? (0-2)	Full disclosure of all material facts	2.0
Must Buyer disclose the transaction in periodic filings (e.g. annual reports)? (0-2)	Disclosure on the transaction and on the conflict of interest	2.0
Must Buyer immediately disclose the transaction to the public? (0-2)	Disclosure on the transaction and on the conflict of interest	2.0
Extent of director liability index (0-10)		5.0
Can shareholders representing 10% of Buyer's share capital sue for the damage the transaction caused to Buyer? (0-1)	Yes	1.0
Can shareholders hold Mr. James liable for the damage the transaction caused to Buyer? (0-2)	Liable if negligent	1.0
Can shareholders hold the other directors liable for the damage the transaction caused to Buyer? (0-2)	Not liable	0.0
Must Mr. James pay damages for the harm caused to Buyer upon a successful claim by shareholders? (0-1)	Yes	1.0
Must Mr. James repay profits made from the transaction upon a successful claim by shareholders? (0-1)	No	0.0
Is Mr. James disqualified upon a successful claim by shareholders? (0-1)	No	0.0
Can a court void the transaction upon a successful claim by shareholders? (0-2)	Voidable if unfair or prejudicial	2.0
Ease of shareholder suits index (0-10)		2.0
Before suing, can shareholders representing 10% of Buyer's share capital inspect the transaction documents? (0-1)	Yes	1.0
Can the plaintiff obtain any documents from the defendant and witnesses at trial? (0-3)	No	0.0
Can the plaintiff request categories of documents from the defendant without identifying specific ones? (0-1)	No	0.0
Can the plaintiff directly question the defendant and witnesses at trial? (0-2)	Preapproved questions only	1.0
Is the level of proof required for civil suits lower than that of criminal cases? (0-1)	No	0.0
Can shareholder plaintiffs recover their legal expenses from the company? (0-2)	At the discretion of the court	0.0
Extent of shareholder governance index (0-20)		
Extent of shareholder rights index (0-6)		5.0
Does the sale of 51% of Buyer's assets require shareholder approval?	Yes	1.0
Can shareholders representing 10% of Buyer's share capital call for a meeting of shareholders?	Yes	1.0
Must Buyer obtain its shareholders' approval every time it issues new shares?	Yes	1.0
Do shareholders automatically receive preemption rights every time Buyer issues new shares?	No	0.0
Do shareholders elect and dismiss the external auditor?	Yes	1.0
Are changes to the rights of a class of shares only possible if the holders of the affected shares approve?	Yes	1.0
Extent of ownership and control index (0-7)		6.0

Is it forbidden to appoint the same individual as CEO and chairperson of the board of directors?	Yes	1.0
Must the board of directors include independent and nonexecutive board members?	Yes	1.0
Can shareholders remove members of the board of directors without cause before the end of their term?	Yes	1.0
Must the board of directors include a separate audit committee exclusively comprising board members?	No	0.0
Must a potential acquirer make a tender offer to all shareholders upon acquiring 50% of Buyer?	Yes	1.0
Must Buyer pay declared dividends within a maximum period set by law?	Yes	1.0
Is a subsidiary prohibited from acquiring shares issued by its parent company?	Yes	1.0
Extent of corporate transparency index (0-7)		7.0
Must Buyer disclose direct and indirect beneficial ownership stakes representing 5%?	Yes	1.0
Must Buyer disclose information about board members' primary employment and directorships in other companies?	Yes	1.0
Must Buyer disclose the compensation of individual managers?	Yes	1.0
Must a detailed notice of general meeting be sent 21 days before the meeting?	Yes	1.0
Can shareholders representing 5% of Buyer's share capital put items on the general meeting agenda?	Yes	1.0
Must Buyer's annual financial statements be audited by an external auditor?	Yes	1.0
Must Buyer disclose its audit reports to the public?	Yes	1.0

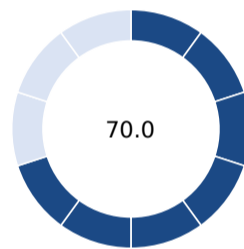
Protecting Minority Investors - Surabaya

Stock exchange information

Stock exchange	Indonesia Stock Exchange
Stock exchange URL	http://www.idx.co.id
Listed firms with equity securities	341
City Covered	Surabaya

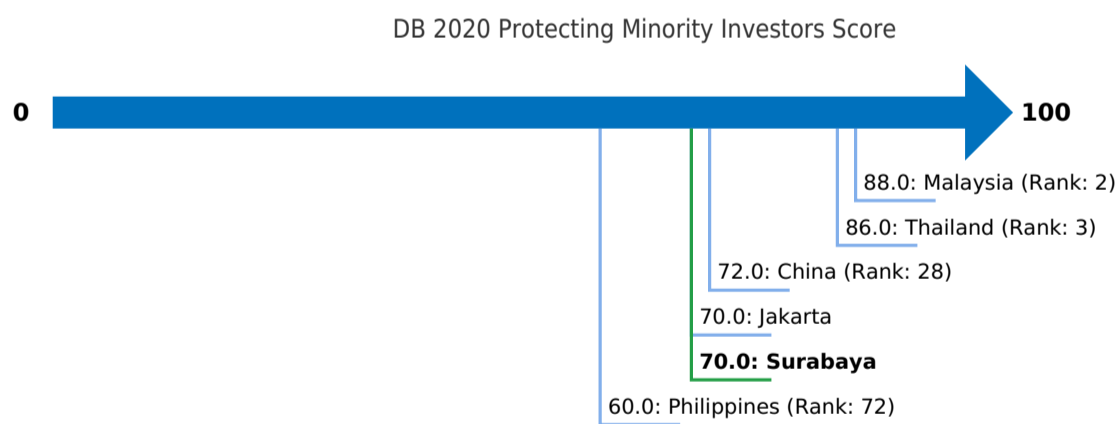
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Figure - Protecting Minority in Surabaya - Score



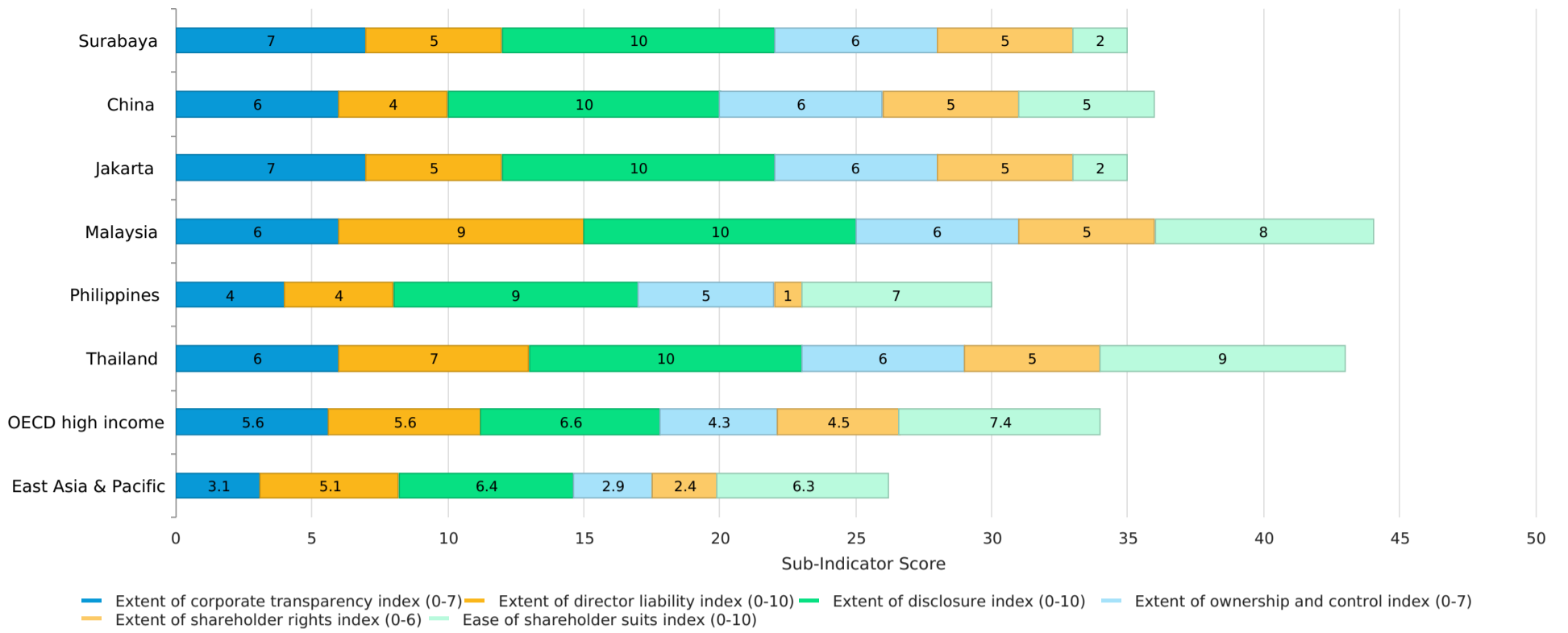
Score - Protecting Minority Investors

Figure - Protecting Minority Investors in Surabaya and comparator economies - Ranking and Score



Note: The ranking of economies on the strength of minority investor protections is determined by sorting their scores for protecting minority investors. These scores are the simple average of the scores for the extent of conflict of interest regulation index and the extent of shareholder governance index.

Figure - Protecting Minority Investors in Surabaya and comparator economies - Measure of Quality



Details - Protecting Minority Investors in Surabaya - Measure of Quality

	Answer	Score
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Must an external body review the terms of the transaction before it takes place? (0-1)	Yes	1.0
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Extent of director liability index (0-10)		5.0
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Can shareholders hold Mr. James liable for the damage the transaction caused to Buyer? (0-2)	Liable if negligent	1.0
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Can the plaintiff request categories of documents from the defendant without identifying specific ones? (0-1)	No	0.0
Can the plaintiff directly question the defendant and witnesses at trial? (0-2)	Preapproved questions only	1.0
Is the level of proof required for civil suits lower than that of criminal cases? (0-1)	No	0.0
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Are changes to the rights of a class of shares only possible if the holders of the affected shares approve?	Yes	1.0
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Can shareholders remove members of the board of directors without cause before the end of their term?	Yes	1.0
Must the board of directors include a separate audit committee exclusively comprising board members?	No	0.0
Must a potential acquirer make a tender offer to all shareholders upon acquiring 50% of Buyer?	Yes	1.0
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Must a detailed notice of general meeting be sent 21 days before the meeting?	Yes	1.0
Can shareholders representing 5% of Buyer's share capital put items on the general meeting agenda?	Yes	1.0
Must Buyer's annual financial statements be audited by an external auditor?	Yes	1.0
Must Buyer disclose its audit reports to the public?	Yes	1.0

Paying Taxes

This topic records the taxes and mandatory contributions that a medium-size company must pay or withhold in a given year, as well as the administrative burden of paying taxes and contributions and complying with postfiling procedures (VAT refund and tax audit). The most recent round of data collection for the project was completed in May 2019 covering for the Paying Taxes indicator calendar year 2018 (January 1, 2018 - December 31, 2018). [See the methodology for more information.](#)

What the indicators measure

Tax payments for a manufacturing company in 2018 (number per year adjusted for electronic and joint filing and payment)

- Total number of taxes and contributions paid or withheld, including consumption taxes (value added tax, sales tax or goods and service tax)
- Method and frequency of filing and payment

Time required to comply with 3 major taxes (hours per year)

- Collecting information, computing tax payable
- Preparing separate tax accounting books, if required
- Completing tax return, filing with agencies
- Arranging payment or withholding

Total tax and contribution rate (% of commercial profits)

- Profit or corporate income tax
- Social contributions, labor taxes paid by employer
- Property and property transfer taxes
- Dividend, capital gains, financial transactions taxes
- Waste collection, vehicle, road and other taxes

Postfiling Index

- Time to comply with VAT refund (hours)
- Time to obtain VAT refund (weeks)
- Time to comply with a corporate income tax correction (hours)
- Time to complete a corporate income tax correction (weeks)

Case study assumptions

Using a case scenario, *Doing Business* records taxes and mandatory contributions a medium size company must pay in a year, and measures the administrative burden of paying taxes, contributions and dealing with postfiling processes. Information is also compiled on frequency of filing and payments, time taken to comply with tax laws, time taken to comply with the requirements of postfiling processes and time waiting.

To make data comparable across economies, several assumptions are used:

- TaxpayerCo is a medium-size business that started operations on January 1, 2017. It produces ceramic flowerpots and sells them at retail. All taxes and contributions recorded are paid in the second year of operation (calendar year 2018). Taxes and mandatory contributions are measured at all levels of government.

The VAT refund process:

- In June 2018, TaxpayerCo. makes a large capital purchase: the value of the machine is 65 times income per capita of the economy. Sales are equally spread per month (1,050 times income per capita divided by 12) and cost of goods sold are equally expensed per month (875 times income per capita divided by 12). The machinery seller is registered for VAT and excess input VAT incurred in June will be fully recovered after four consecutive months if the VAT rate is the same for inputs, sales and the machine and the tax reporting period is every month. Input VAT will exceed Output VAT in June 2018.

The corporate income tax audit process:

- An error in calculation of income tax liability (for example, use of incorrect tax depreciation rates, or incorrectly treating an expense as tax deductible) leads to an incorrect income tax return and a corporate income tax underpayment. TaxpayerCo. discovered the error and voluntarily notified the tax authority. The value of the underpaid income tax liability is 5% of the corporate income tax liability due. TaxpayerCo. submits corrected information after the deadline for submitting the annual tax return, but within the tax assessment period.

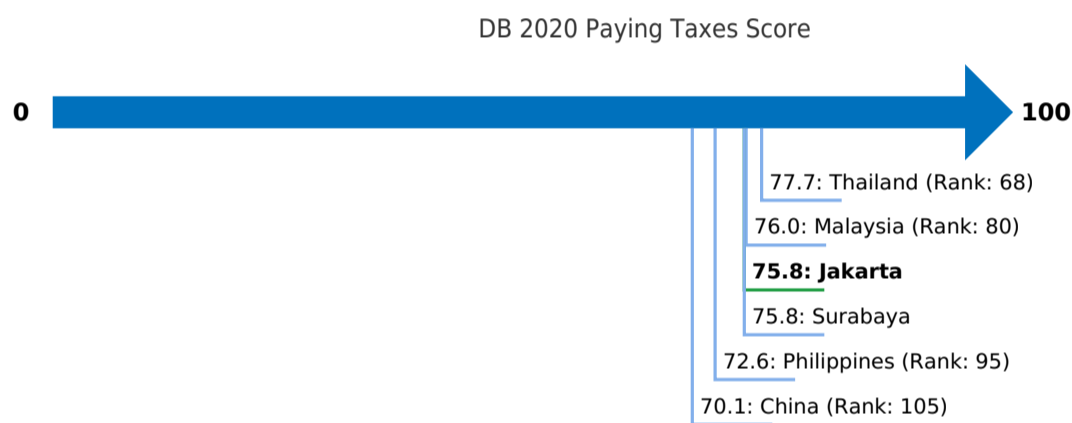
Paying Taxes - Jakarta

Indicator	Jakarta	East Asia & Pacific	OECD high income	Best Regulatory Performance
Payments (number per year)	26	20.6	10.3	3 (2 Economies)
Time (hours per year)	191	173.0	158.8	49 (3 Economies)
Total tax and contribution rate (% of profit)	30.1	33.6	39.9	26.1 (33 Economies)
Postfiling index (0-100)	68.8	56.4	86.7	None in 2018/19

Figure - Paying Taxes in Jakarta - Score

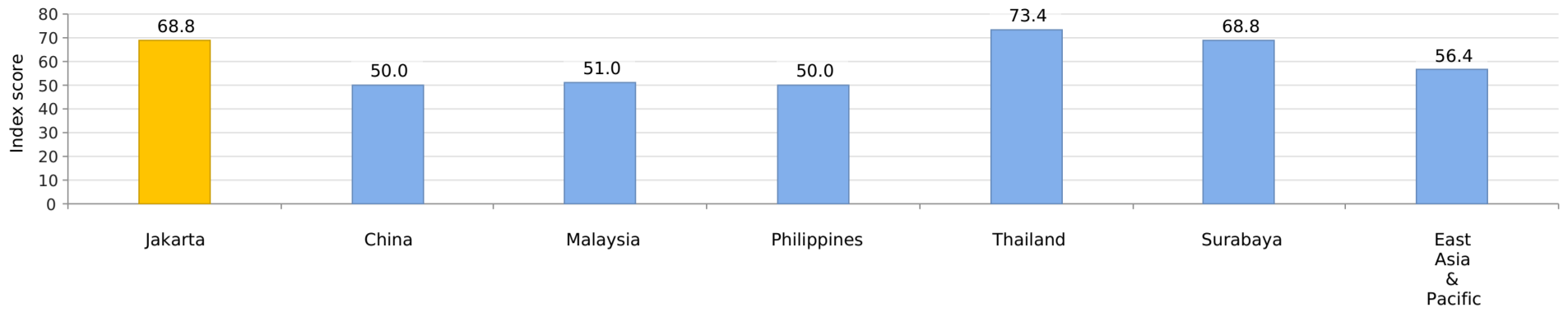


Figure - Paying Taxes in Jakarta and comparator economies - Ranking and Score



Note: The ranking of economies on the ease of paying taxes is determined by sorting their scores for paying taxes. These scores are the simple average of the scores for each of the component indicators, with a threshold and a nonlinear transformation applied to one of the component indicators, the total tax and contribution rate. The threshold is defined as the total tax and contribution rate at the 15th percentile of the overall distribution for all years included in the analysis up to and including Doing Business 2015, which is 26.1%. All economies with a total tax and contribution rate below this threshold receive the same score as the economy at the threshold.

Figure - Paying Taxes in Jakarta and comparator economies - Measure of Quality



Details - Paying Taxes in Jakarta

Tax or mandatory contribution	Payments (number)	Notes on Payments	Time (hours)	Statutory tax rate	Tax base	Total tax and contribution rate (% of profit)	Notes on TTCR
Corporate income tax	13.0		69.0	12.5% - 25% *	taxable income	16.63	
Employer paid - Social security contributions	1.0	online		4.24%	gross salary	7.04	
Employer paid - Health insurance contributions	0.0	online and jointly		4%	gross salary	4.51	
Capital gains tax	1.0			2.5%	proceed	1.52	
Property tax	1.0			0.2%	value of the land and building determined by the government	0.29	
Vehicle registration tax	1.0			1%	sales price and weight	0.08	
Value added tax (VAT)	4.0	online	66.0	10%	transaction value	0.00	not included
Stamp duty	1.0			Rp 6,000	fixed fee	0.00	
Employee paid - Health insurance contributions	0.0	online and jointly		1%	gross salary	0.00	withheld
Employee paid - Payroll tax on employee	4.0	online	56.0	5% - 30%	gross salary	0.00	withheld
Employee paid - Social security contributions	0.0	online and jointly		2%	gross salary	0.00	withheld
Totals	26		191			30.1	

Details - Paying Taxes in Jakarta - Tax by Type

Taxes by type	Answer
Profit tax (% of profit)	18.1
Labor tax and contributions (% of profit)	11.6
Other taxes (% of profit)	0.4

Details - Paying Taxes in Jakarta - Measure of Quality

	Answer	Score
Postfiling index (0-100)		68.8
VAT refunds		
Does VAT exist?	Yes	
Does a VAT refund process exist per the case study?	Yes	
Restrictions on VAT refund process	none	
Percentage of cases exposed to a VAT audit (%)	75% - 100%	
Is there a mandatory carry forward period?	No	
Time to comply with VAT refund (hours)	18.0	64.0
Time to obtain VAT refund (weeks)	48.0	14.0
Corporate income tax audits		
Does corporate income tax exist?	yes	
Percentage of cases exposed to a corporate income tax audit (%)	0% - 24%	
Time to comply with a corporate income tax correction (hours)	3.0	97.2
Time to complete a corporate income tax correction (weeks)	No tax audit per case study scenario	100

Notes: Names of taxes have been standardized. For instance income tax, profit tax, tax on company's income are all named corporate income tax in this table.

The hours for VAT include all the VAT and sales taxes applicable.

The hours for Social Security include all the hours for labor taxes and mandatory contributions in general.

The postfiling index is the average of the scores on time to comply with VAT refund, time to obtain a VAT refund, time to comply with a corporate income tax correction and time to complete a corporate income tax correction.

N/A = Not applicable.

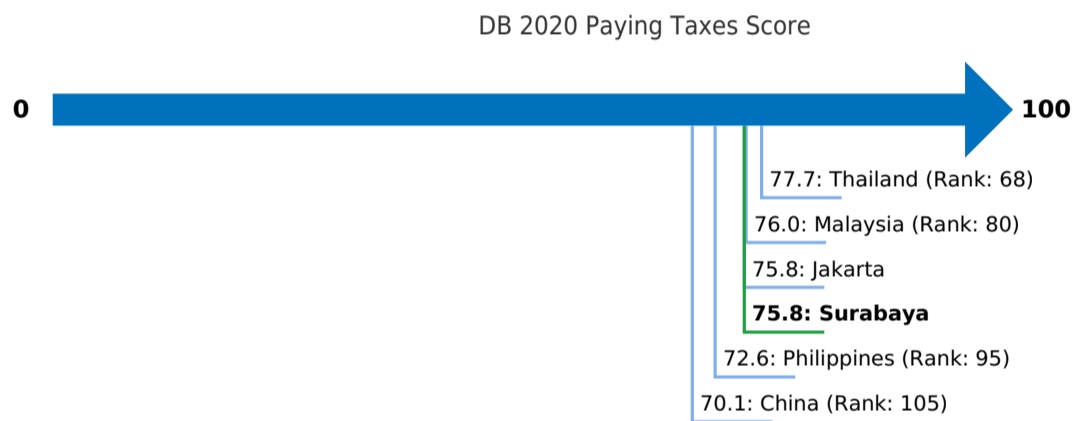
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Figure - Paying Taxes in Surabaya - Score

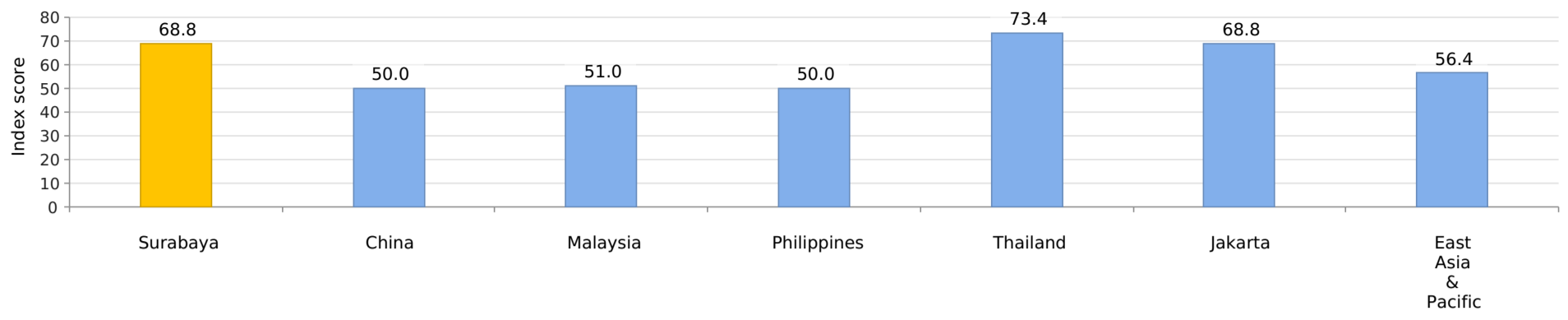


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Employer paid - Health insurance contributions	0.0	online and jointly		4%	gross salary	4.51	
Capital gains tax	1.0			2.5%	proceed	1.52	
Property tax	1.0			0.2%	value of the land and building determined by the government	0.29	
Vehicle registration tax	1.0			1%	sales price and weight	0.08	
Value added tax (VAT)	4.0	online	66.0	10%	transaction value	0.00	not included
Stamp duty	1.0			Rp 6,000	fixed fee	0.00	
Employee paid - Health Care contributions	0.0	online and jointly		1%	gross salary	0.00	withheld
Employee paid - Payroll tax on employee	4.0	online	56.0	5% - 30%	gross salary	0.00	withheld
Employee paid - Social security contributions	0.0	online and jointly		2%	gross salary	0.00	withheld
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Details - Paying Taxes in Surabaya - Tax by Type

Taxes by type	Answer
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Details - Paying Taxes in Surabaya - Measure of Quality

	Answer	Score
Postfiling index (0-100)		68.8
VAT refunds		
Does VAT exist?	Yes	
Does a VAT refund process exist per the case study?	Yes	
Restrictions on VAT refund process	none	
Percentage of cases exposed to a VAT audit (%)	75% - 100%	
Is there a mandatory carry forward period?	No	
Time to comply with VAT refund (hours)	18.0	64.0
Time to obtain VAT refund (weeks)	48.0	14.0
Corporate income tax audits		
Does corporate income tax exist?	yes	
Percentage of cases exposed to a corporate income tax audit (%)	0% - 24%	
Time to comply with a corporate income tax correction (hours)	3.0	97.2
Time to complete a corporate income tax correction (weeks)	No tax audit per case study scenario	100

Notes: Names of taxes have been standardized. For instance income tax, profit tax, tax on company's income are all named corporate income tax in this table.

The hours for VAT include all the VAT and sales taxes applicable.

The hours for Social Security include all the hours for labor taxes and mandatory contributions in general.

The postfiling index is the average of the scores on time to comply with VAT refund, time to obtain a VAT refund, time to comply with a corporate income tax correction and time to complete a corporate income tax correction.

N/A = Not applicable.

Trading across Borders

Doing Business records the time and cost associated with the logistical process of exporting and importing goods. *Doing Business* measures the time and cost (excluding tariffs) associated with three sets of procedures—documentary compliance, border compliance and domestic transport—within the overall process of exporting or importing a shipment of goods. The most recent round of data collection for the project was completed in May 2019. [See the methodology for more information.](#)

What the indicators measure

Documentary compliance

- Obtaining, preparing and submitting documents during transport, clearance, inspections and port or border handling in origin economy
- Obtaining, preparing and submitting documents required by destination economy and any transit economies
- Covers all documents required by law and in practice, including electronic submissions of information

Border compliance

- Customs clearance and inspections
- Inspections by other agencies (if applied to more than 20% of shipments)
- Handling and inspections that take place at the economy's port or border

Domestic transport

- Loading or unloading of the shipment at the warehouse or port/border
- Transport between warehouse and port/border
- Traffic delays and road police checks while shipment is en route

Case study assumptions

To make the data comparable across economies, a few assumptions are made about the traded goods and the transactions:

Time: Time is measured in hours, and 1 day is 24 hours (for example, 22 days are recorded as $22 \times 24 = 528$ hours). If customs clearance takes 7.5 hours, the data are recorded as is. Alternatively, suppose documents are submitted to a customs agency at 8:00a.m., are processed overnight and can be picked up at 8:00a.m. the next day. The time for customs clearance would be recorded as 24 hours because the actual procedure took 24 hours.

Cost: Insurance cost and informal payments for which no receipt is issued are excluded from the costs recorded. Costs are reported in U.S. dollars. Contributors are asked to convert local currency into U.S. dollars based on the exchange rate prevailing on the day they answer the questionnaire. Contributors are private sector experts in international trade logistics and are informed about exchange rates.

Assumptions of the case study:

- For all 190 economies covered by *Doing Business*, it is assumed a shipment is in a warehouse in the largest business city of the exporting economy and travels to a warehouse in the largest business city of the importing economy.
- It is assumed each economy imports 15 metric tons of containerized auto parts (HS 8708) from its natural import partner—the economy from which it imports the largest value (price times quantity) of auto parts. It is assumed each economy exports the product of its comparative advantage (defined by the largest export value) to its natural export partner—the economy that is the largest purchaser of this product. Shipment value is assumed to be \$50,000.
- The mode of transport is the one most widely used for the chosen export or import product and the trading partner, as is the seaport or land border crossing.
- All electronic information submissions requested by any government agency in connection with the shipment are considered to be documents obtained, prepared and submitted during the export or import process.
- A port or border is a place (seaport or land border crossing) where merchandise can enter or leave an economy.
- Relevant government agencies include customs, port authorities, road police, border guards, standardization agencies, ministries or departments of agriculture or industry, national security agencies and any other government authorities.

Trading across Borders - Jakarta

Indicator	Jakarta	East Asia & Pacific	OECD high income	Best Regulatory Performance
Time to export: Border compliance (hours)	51	57.5	12.7	1 (19 Economies)
Cost to export: Border compliance (USD)	207	381.1	136.8	0 (19 Economies)
Time to export: Documentary compliance (hours)	60	55.6	2.3	1 (26 Economies)
Cost to export: Documentary compliance (USD)	130	109.4	33.4	0 (20 Economies)
Time to import: Border compliance (hours)	80	68.4	8.5	1 (25 Economies)
Cost to import: Border compliance (USD)	384	422.8	98.1	0 (28 Economies)
Time to import: Documentary compliance (hours)	106	53.7	3.4	1 (30 Economies)
Cost to import: Documentary compliance (USD)	160	108.4	23.5	0 (30 Economies)

Figure - Trading across Borders in Jakarta - Score

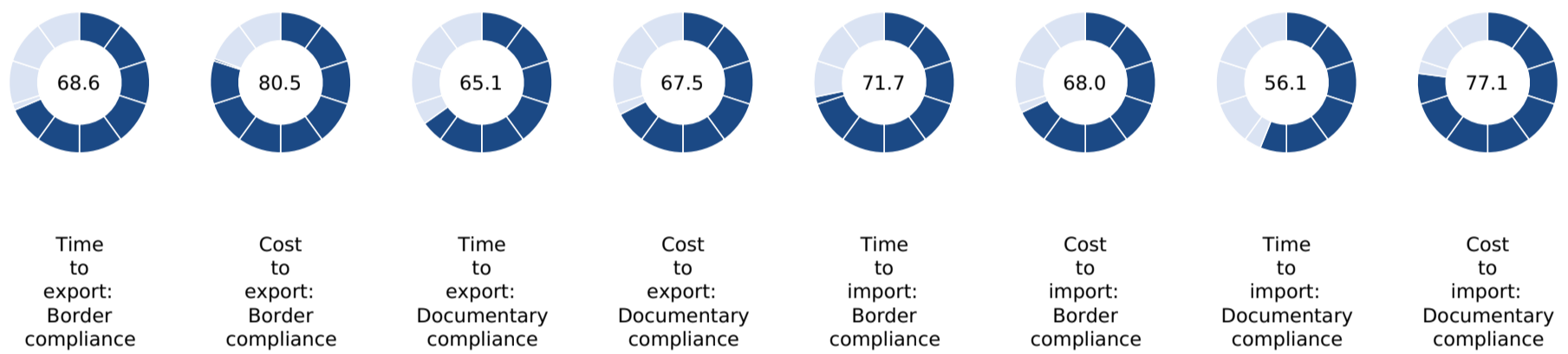
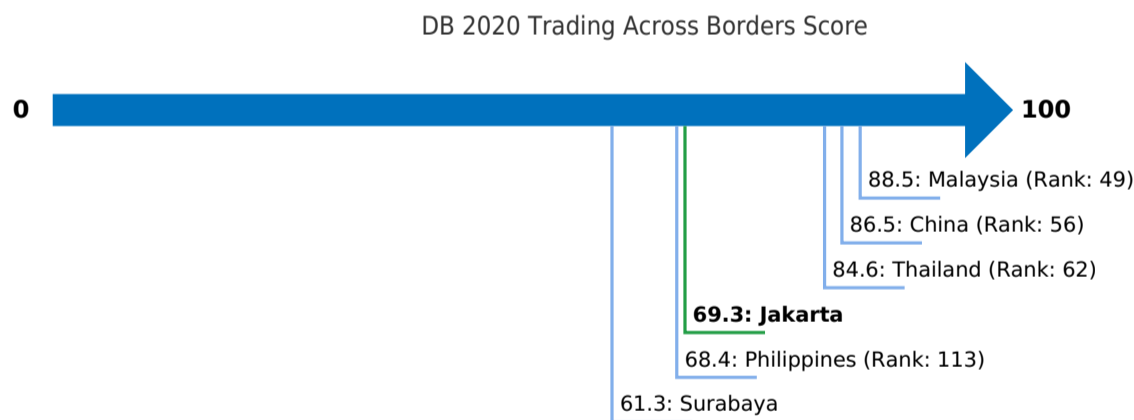
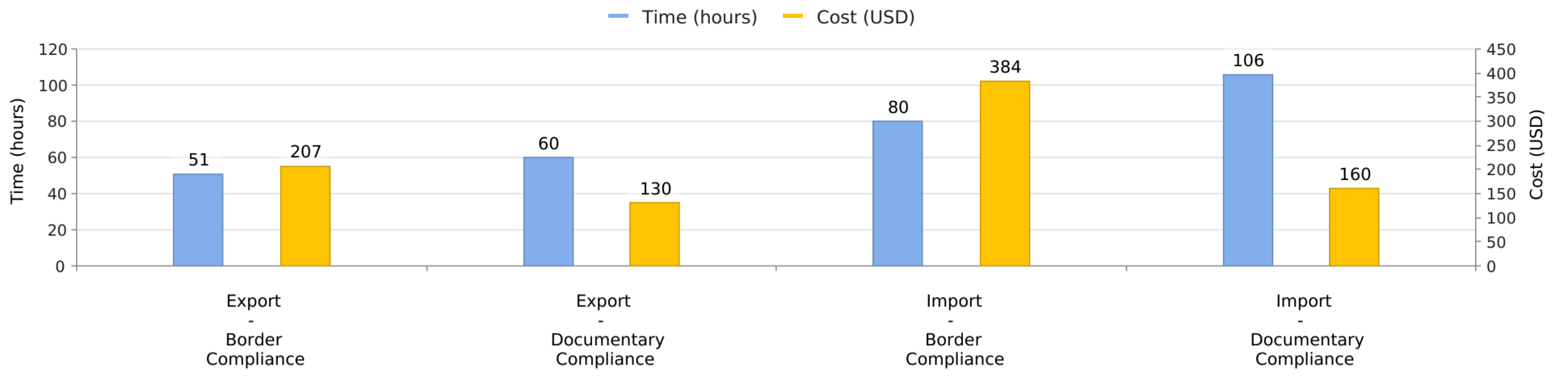


Figure - Trading across Borders in Jakarta and comparator economies - Ranking and Score



Note: The ranking of economies on the ease of trading across borders is determined by sorting their scores for trading across borders. These scores are the simple average of the scores for the time and cost for documentary compliance and border compliance to export and import.

Figure - Trading across Borders in Jakarta - Time and Cost



Details - Trading across Borders in Jakarta

Characteristics	Export	Import
Product	HS 15 : Animal or vegetable fats and oils and their cleavage products; prepared edible fats; animal or vegetable waxes	HS 8708: Parts and accessories of motor vehicles
Trade partner	India	Japan
Border	Jakarta port	Jakarta port
Distance (km)	21	21
Domestic transport time (hours)	3	3
Domestic transport cost (USD)	135	135

Details - Trading across Borders in Jakarta - Components of Border Compliance

	Time to Complete (hours)	Associated Costs (USD)
Export: Clearance and inspections required by customs authorities	4.0	60.0
Export: Clearance and inspections required by agencies other than customs	0.0	0.0
Export: Port or border handling	48.0	147.1
Import: Clearance and inspections required by customs authorities	30.0	110.0
Import: Clearance and inspections required by agencies other than customs	0.0	0.0
Import: Port or border handling	80.0	274.4

Details - Trading across Borders in Jakarta - Trade Documents

Export

Import

Bill of lading

Bill of lading

Commercial invoice

Delivery order

Packing list

Cargo release order (SPPB)

Customs export declaration

Commercial invoice

SOLAS certificate

Insurance documentation

Certificate of origin

Packing list

Customs import declaration (PIB)

Terminal handling receipts

SOLAS certificate

Trading across Borders - Surabaya

Indicator	Surabaya	East Asia & Pacific	OECD high income	Best Regulatory Performance
Time to export: Border compliance (hours)	75	57.5	12.7	1 (19 Economies)
Cost to export: Border compliance (USD)	225	381.1	136.8	0 (19 Economies)
Time to export: Documentary compliance (hours)	66	55.6	2.3	1 (26 Economies)
Cost to export: Documentary compliance (USD)	170	109.4	33.4	0 (20 Economies)
Time to import: Border compliance (hours)	168	68.4	8.5	1 (25 Economies)
Cost to import: Border compliance (USD)	376	422.8	98.1	0 (28 Economies)
Time to import: Documentary compliance (hours)	107	53.7	3.4	1 (30 Economies)
Cost to import: Documentary compliance (USD)	180	108.4	23.5	0 (30 Economies)

Figure - Trading across Borders in Surabaya - Score

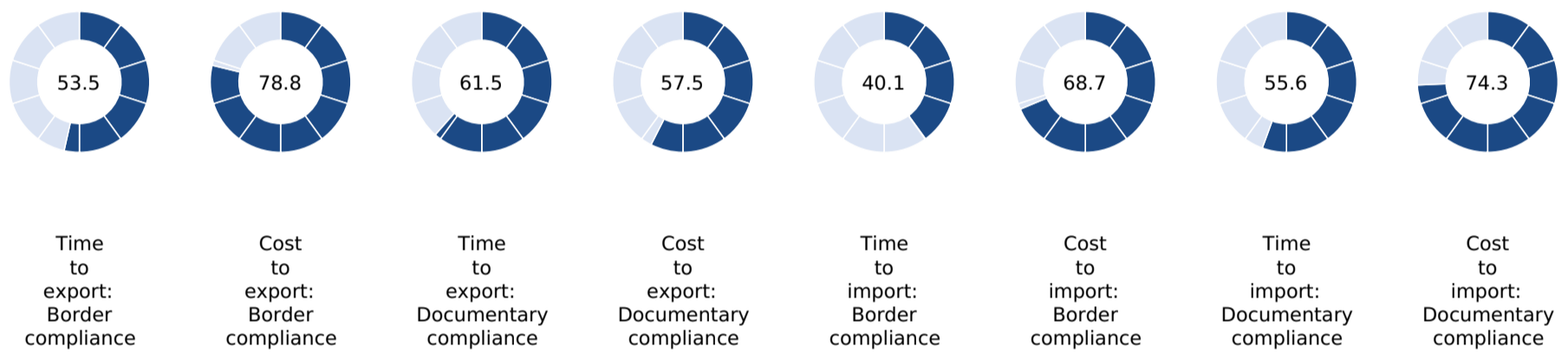
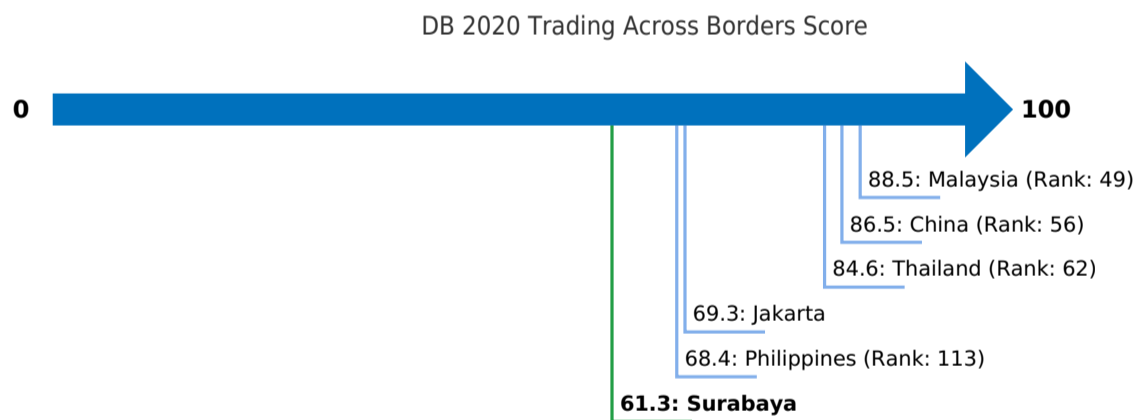
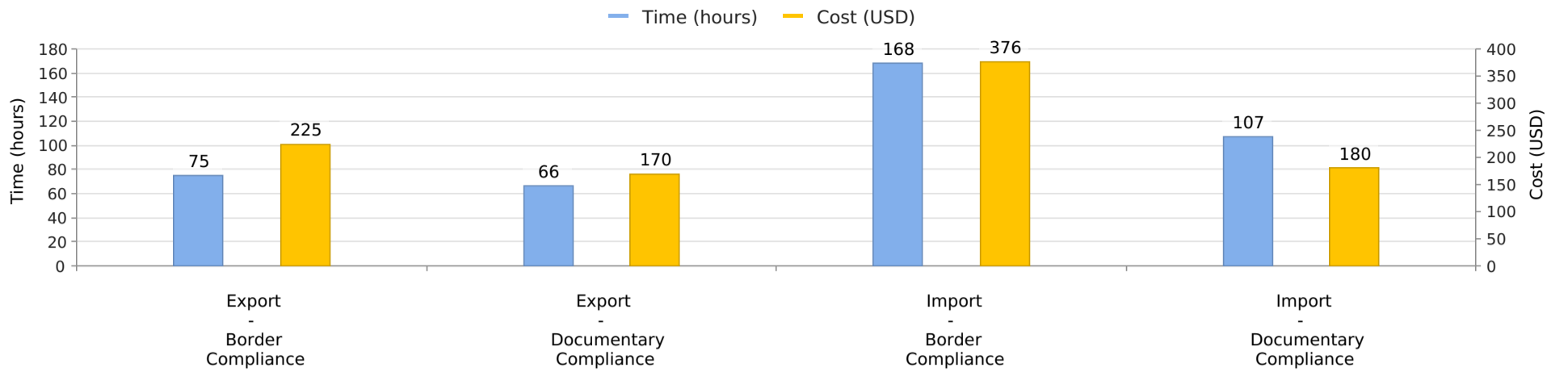


Figure - Trading across Borders in Surabaya and comparator economies - Ranking and Score



Note: The ranking of economies on the ease of trading across borders is determined by sorting their scores for trading across borders. These scores are the simple average of the scores for the time and cost for documentary compliance and border compliance to export and import.

Figure - Trading across Borders in Surabaya - Time and Cost



Details - Trading across Borders in Surabaya

Characteristics	Export	Import
Product	HS 15 : Animal or vegetable fats and oils and their cleavage products; prepared edible fats; animal or vegetable waxes	HS 8708: Parts and accessories of motor vehicles
Trade partner	India	Japan
Border	Surabaya port	Surabaya port
Distance (km)	15	15
Domestic transport time (hours)	5	5
Domestic transport cost (USD)	138	138

Details - Trading across Borders in Surabaya - Components of Border Compliance

	Time to Complete (hours)	Associated Costs (USD)
Export: Clearance and inspections required by customs authorities	4.0	60.0
Export: Clearance and inspections required by agencies other than customs	0.0	0.0
Export: Port or border handling	72.0	165.0
Import: Clearance and inspections required by customs authorities	48.0	110.0
Import: Clearance and inspections required by agencies other than customs	0.0	0.0
Import: Port or border handling	168.0	266.0

Details - Trading across Borders in Surabaya - Trade Documents

Export

Import

Bill of Lading

Bill of lading

Commercial Invoice

Delivery order

Packing List

Cargo release order (SPPB)

Customs Export Declaration

Commercial invoice

Stacking Permit

Insurance documentation

SOLAS certificate

Packing list

Certificate of origin

Customs import declaration (PIB)

Terminal handling receipt

SOLAS certificate

Enforcing Contracts

The enforcing contracts indicator measures the time and cost for resolving a commercial dispute through a local first-instance court, and the quality of judicial processes index, evaluating whether each economy has adopted a series of good practices that promote quality and efficiency in the court system. The most recent round of data collection was completed in May 2019. [See the methodology for more information.](#)

What the indicators measure

Time required to enforce a contract through the courts (calendar days)

- Time to file and serve the case
- Time for trial and to obtain the judgment
- Time to enforce the judgment

Cost required to enforce a contract through the courts (% of claim value)

- Average attorney fees
- Court costs
- Enforcement costs

Quality of judicial processes index (0-18)

- Court structure and proceedings (-1-5)
- Case management (0-6)
- Court automation (0-4)
- Alternative dispute resolution (0-3)

Case study assumptions

The dispute in the case study involves the breach of a sales contract between two domestic businesses. The case study assumes that the court hears an expert on the quality of the goods in dispute. This distinguishes the case from simple debt enforcement.

To make the data on the time and comparable across economies, several assumptions about the case are used:

- The dispute concerns a lawful transaction between two businesses (Seller and Buyer), both located in the economy's largest business city. For 11 economies the data are also collected for the second largest business city.
- The Buyer orders custom-made furniture, then fails to pay alleging that the goods are not of adequate quality.
- The value of the dispute is 200% of the income per capita or the equivalent in local currency of USD 5,000, whichever is greater.
- The Seller sues the Buyer before the court with jurisdiction over commercial cases worth 200% of income per capita or \$5,000 whichever is greater.
- The Seller requests the pretrial attachment of the defendant's movable assets to secure the claim.
- The claim is disputed on the merits because of Buyer's allegation that the quality of the goods was not adequate.
- The judge decides in favor of the seller; there is no appeal.
- The Seller enforces the judgment through a public sale of the Buyer's movable assets.

Enforcing Contracts - Jakarta

Standardized Case

Claim value	IDR 99,711,339
Court name	Jakarta District Court
City Covered	Jakarta

Indicator	Jakarta	East Asia & Pacific	OECD high income	Best Regulatory Performance
Time (days)	390	581.1	589.6	120 (Singapore)
Cost (% of claim value)	74.0	47.2	21.5	0.1 (Bhutan)
Quality of judicial processes index (0-18)	9.0	8.1	11.7	None in 2018/19

Figure - Enforcing Contracts in Jakarta - Score

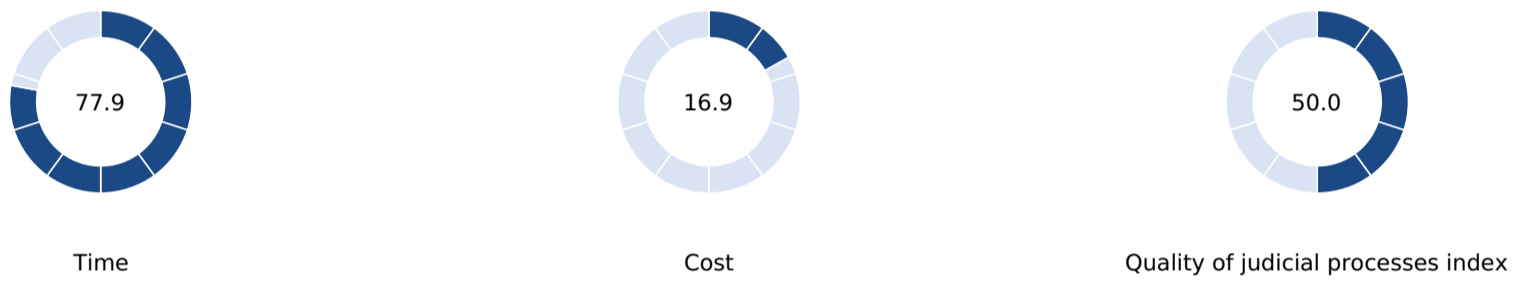
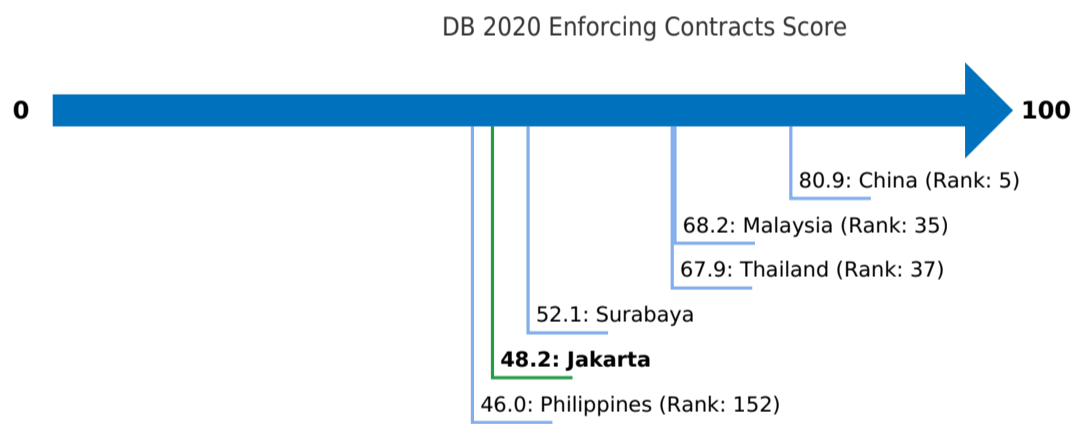


Figure - Enforcing Contracts in Jakarta and comparator economies - Ranking and Score



Note: The ranking of economies on the ease of enforcing contracts is determined by sorting their scores for enforcing contracts. These scores are the simple average of the scores for each of the component indicators.

Figure - Enforcing Contracts in Jakarta - Time and Cost

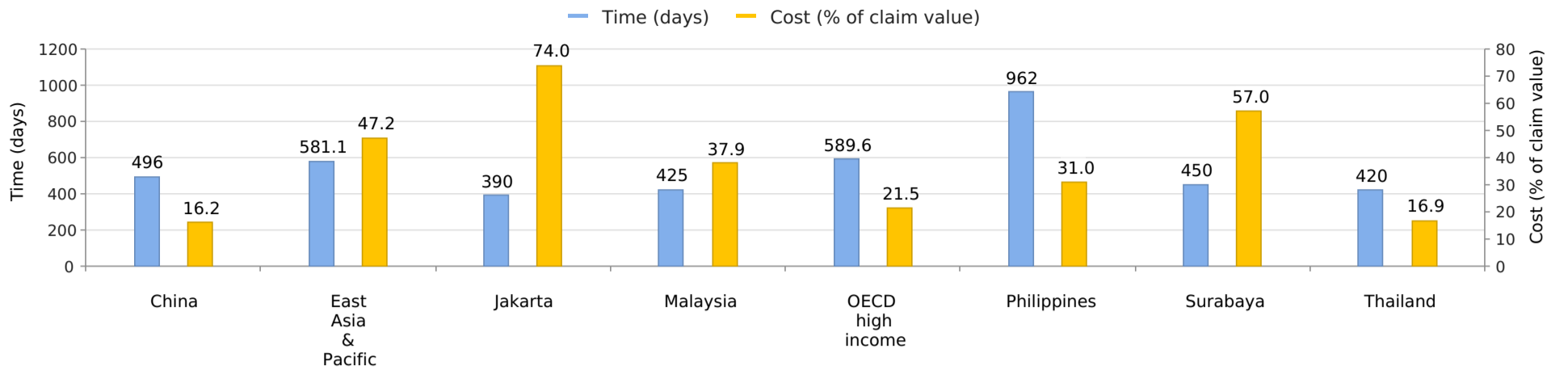
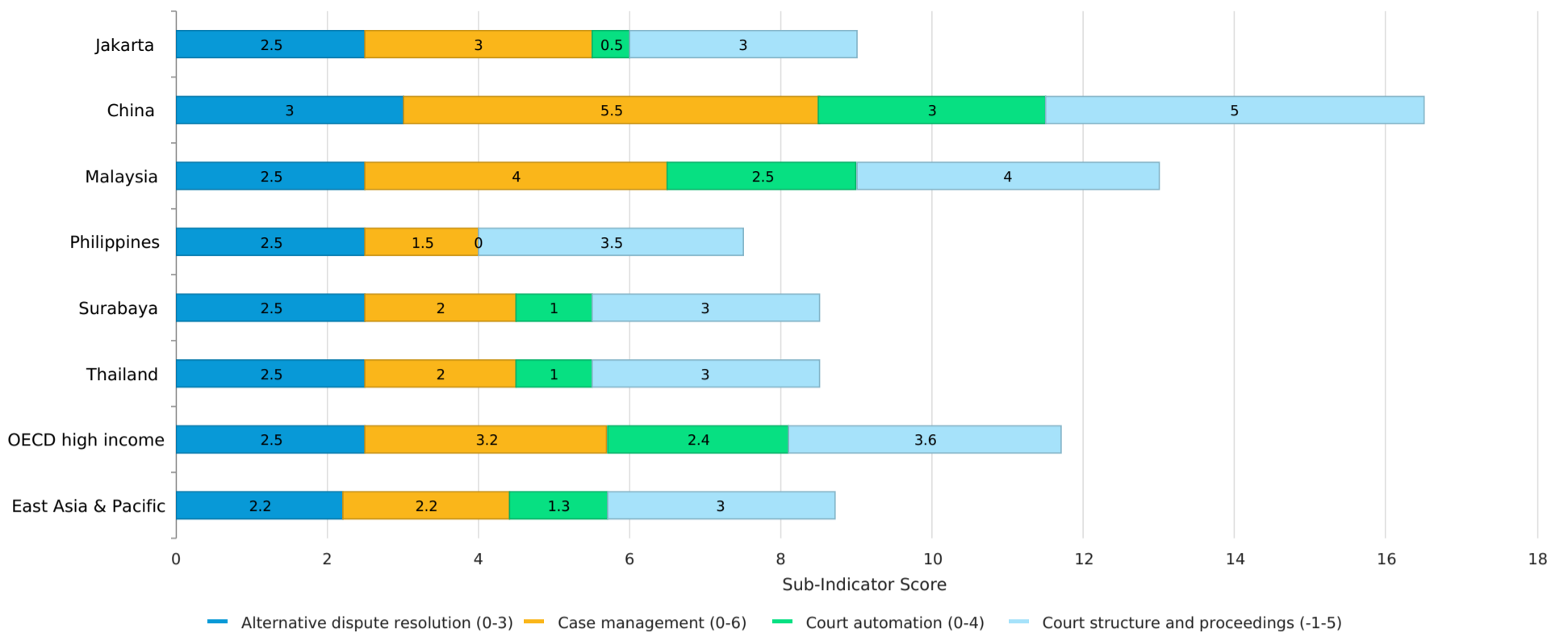


Figure - Enforcing Contracts in Jakarta and comparator economies - Measure of Quality



Details - Enforcing Contracts in Jakarta

	Indicator
Time (days)	390
Filing and service	60
Trial and judgment	150
Enforcement of judgment	180
Cost (% of claim value)	74.0
Attorney fees	50
Court fees	13
Enforcement fees	11
Quality of judicial processes index (0-18)	9.0
Court structure and proceedings (-1-5)	3.0
Case management (0-6)	3.0
Court automation (0-4)	0.5
Alternative dispute resolution (0-3)	2.5

Details - Enforcing Contracts in Jakarta - Measure of Quality

	Answer	Score
Quality of judicial processes index (0-18)		9.0
Court structure and proceedings (-1-5)		3.0
1. Is there a court or division of a court dedicated solely to hearing commercial cases?	No	0.0
2. Small claims court		1.5
2.a. Is there a small claims court or a fast-track procedure for small claims?	Yes	
2.b. If yes, is self-representation allowed?	Yes	
3. Is pretrial attachment available?	Yes	1.0
4. Are new cases assigned randomly to judges?	Yes, but manual	0.5
5. Does a woman's testimony carry the same evidentiary weight in court as a man's?	Yes	0.0
Case management (0-6)		3.0
1. Time standards		1.0
1.a. Are there laws setting overall time standards for key court events in a civil case?	Yes	
1.b. If yes, are the time standards set for at least three court events?	Yes	
1.c. Are these time standards respected in more than 50% of cases?	Yes	
2. Adjournments		0.0
2.a. Does the law regulate the maximum number of adjournments that can be granted?	No	
2.b. Are adjournments limited to unforeseen and exceptional circumstances?	No	
2.c. If rules on adjournments exist, are they respected in more than 50% of cases?	n.a.	
3. Can two of the following four reports be generated about the competent court: (i) time to disposition report; (ii) clearance rate report; (iii) age of pending cases report; and (iv) single case progress report?	Yes	1.0
4. Is a pretrial conference among the case management techniques used before the competent court?	No	0.0
5. Are there any electronic case management tools in place within the competent court for use by judges?	Yes	1.0
6. Are there any electronic case management tools in place within the competent court for use by lawyers?	No	0.0
Court automation (0-4)		0.5
1. Can the initial complaint be filed electronically through a dedicated platform within the competent court?	No	0.0
2. Is it possible to carry out service of process electronically for claims filed before the competent court?	No	0.0
3. Can court fees be paid electronically within the competent court?	No	0.0
4. Publication of judgments		0.5
4.a. Are judgments rendered in commercial cases at all levels made available to the general public through publication in official gazettes, in newspapers or on the internet or court website?	No	
4.b. Are judgments rendered in commercial cases at the appellate and supreme court level made available to the general public through publication in official gazettes, in newspapers or on the internet or court website?	Yes	
Alternative dispute resolution (0-3)		2.5
1. Arbitration		1.5
1.a. Is domestic commercial arbitration governed by a consolidated law or consolidated chapter or section of the applicable code of civil procedure encompassing substantially all its aspects?	Yes	
1.b. Are there any commercial disputes—aside from those that deal with public order or public policy—that cannot be submitted to arbitration?	No	
1.c. Are valid arbitration clauses or agreements usually enforced by the courts?	Yes	

2. Mediation/Conciliation	1.0
2.a. Is voluntary mediation or conciliation available?	Yes
2.b. Are mediation, conciliation or both governed by a consolidated law or consolidated chapter or section of the applicable code of civil procedure encompassing substantially all their aspects (for example, definition, aim and scope of application, design)?	Yes
2.c. Are there financial incentives for parties to attempt mediation or conciliation (i.e., if mediation or conciliation is successful, a refund of court filing fees, income tax credits or the like)?	No

Enforcing Contracts - Surabaya

Standardized Case

Claim value	IDR 99,711,339
Court name	Surabaya District Court
City Covered	Surabaya

Indicator	Surabaya	East Asia & Pacific	OECD high income	Best Regulatory Performance
Time (days)	450	581.1	589.6	120 (Singapore)
Cost (% of claim value)	57.0	47.2	21.5	0.1 (Bhutan)
Quality of judicial processes index (0-18)	8.5	8.1	11.7	None in 2018/19

Figure - Enforcing Contracts in Surabaya - Score

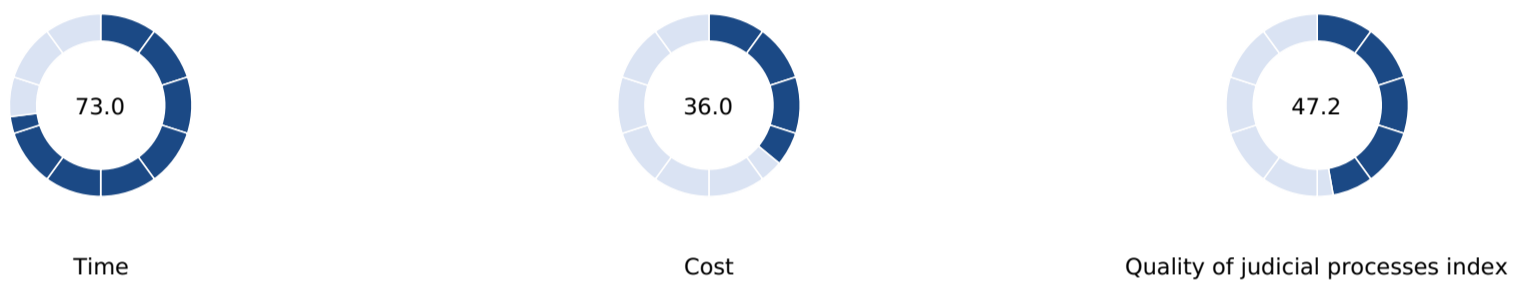
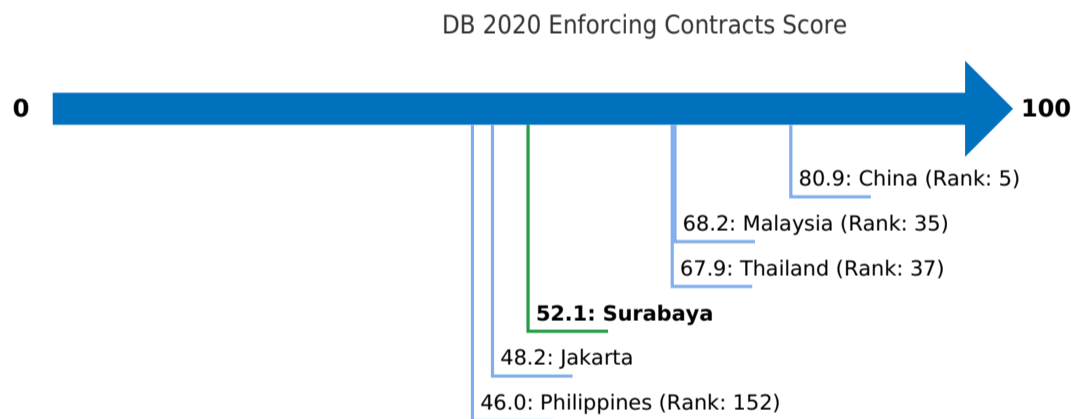


Figure - Enforcing Contracts in Surabaya and comparator economies - Ranking and Score



Note: The ranking of economies on the ease of enforcing contracts is determined by sorting their scores for enforcing contracts. These scores are the simple average of the scores for each of the component indicators.

Figure - Enforcing Contracts in Surabaya - Time and Cost

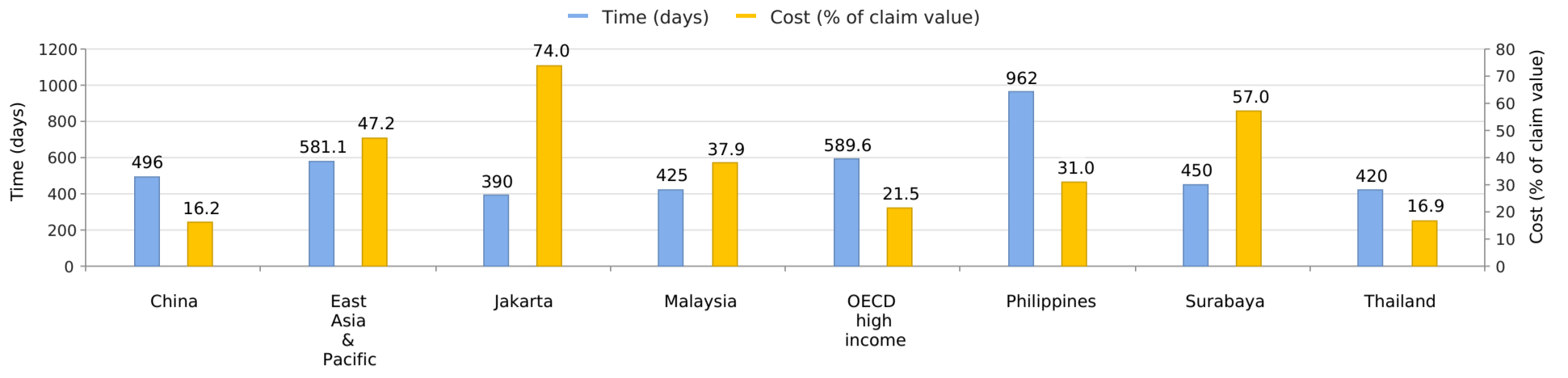
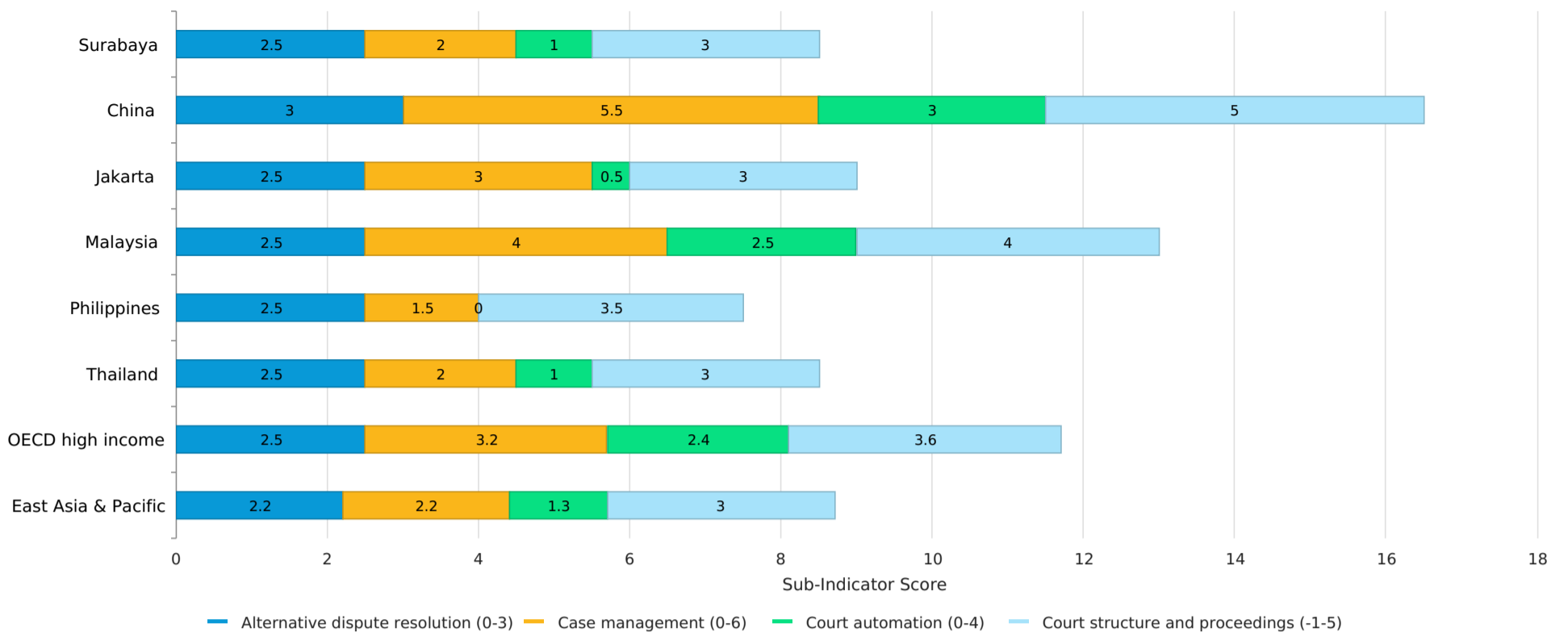


Figure - Enforcing Contracts in Surabaya and comparator economies - Measure of Quality



Details - Enforcing Contracts in Surabaya

	Indicator
Time (days)	450
Filing and service	60
Trial and judgment	120
Enforcement of judgment	270
Cost (% of claim value)	57.0
Attorney fees	35
Court fees	7
Enforcement fees	15
Quality of judicial processes index (0-18)	8.5
Court structure and proceedings (-1-5)	3.0
Case management (0-6)	2.0
Court automation (0-4)	1.0
Alternative dispute resolution (0-3)	2.5

Details - Enforcing Contracts in Surabaya - Measure of Quality

	Answer	Score
Quality of judicial processes index (0-18)		8.5
Court structure and proceedings (-1-5)		3.0
1. Is there a court or division of a court dedicated solely to hearing commercial cases?	No	0.0
2. Small claims court		1.5
2.a. Is there a small claims court or a fast-track procedure for small claims?	Yes	
2.b. If yes, is self-representation allowed?	Yes	
3. Is pretrial attachment available?	Yes	1.0
4. Are new cases assigned randomly to judges?	Yes, but manual	0.5
5. Does a woman's testimony carry the same evidentiary weight in court as a man's?	Yes	0.0
Case management (0-6)		2.0
1. Time standards		1.0
1.a. Are there laws setting overall time standards for key court events in a civil case?	Yes	
1.b. If yes, are the time standards set for at least three court events?	Yes	
1.c. Are these time standards respected in more than 50% of cases?	Yes	
2. Adjournments		0.0
2.a. Does the law regulate the maximum number of adjournments that can be granted?	No	
2.b. Are adjournments limited to unforeseen and exceptional circumstances?	No	
2.c. If rules on adjournments exist, are they respected in more than 50% of cases?	n.a.	
3. Can two of the following four reports be generated about the competent court: (i) time to disposition report; (ii) clearance rate report; (iii) age of pending cases report; and (iv) single case progress report?	No	0.0
4. Is a pretrial conference among the case management techniques used before the competent court?	No	0.0
5. Are there any electronic case management tools in place within the competent court for use by judges?	Yes	1.0
6. Are there any electronic case management tools in place within the competent court for use by lawyers?	No	0.0
Court automation (0-4)		1.0
1. Can the initial complaint be filed electronically through a dedicated platform within the competent court?	No	0.0
2. Is it possible to carry out service of process electronically for claims filed before the competent court?	No	0.0
3. Can court fees be paid electronically within the competent court?	No	0.0
4. Publication of judgments		1.0
4.a. Are judgments rendered in commercial cases at all levels made available to the general public through publication in official gazettes, in newspapers or on the internet or court website?	Yes	
4.b. Are judgments rendered in commercial cases at the appellate and supreme court level made available to the general public through publication in official gazettes, in newspapers or on the internet or court website?	Yes	
Alternative dispute resolution (0-3)		2.5
1. Arbitration		1.5
1.a. Is domestic commercial arbitration governed by a consolidated law or consolidated chapter or section of the applicable code of civil procedure encompassing substantially all its aspects?	Yes	
1.b. Are there any commercial disputes—aside from those that deal with public order or public policy—that cannot be submitted to arbitration?	No	
1.c. Are valid arbitration clauses or agreements usually enforced by the courts?	Yes	

2. Mediation/Conciliation	1.0
2.a. Is voluntary mediation or conciliation available?	Yes
2.b. Are mediation, conciliation or both governed by a consolidated law or consolidated chapter or section of the applicable code of civil procedure encompassing substantially all their aspects (for example, definition, aim and scope of application, design)?	Yes
2.c. Are there financial incentives for parties to attempt mediation or conciliation (i.e., if mediation or conciliation is successful, a refund of court filing fees, income tax credits or the like)?	No

Resolving Insolvency

Doing Business studies the time, cost and outcome of insolvency proceedings involving domestic legal entities. These variables are used to calculate the recovery rate, which is recorded as cents on the dollar recovered by secured creditors through reorganization, liquidation or debt enforcement (foreclosure or receivership) proceedings. To determine the present value of the amount recovered by creditors, *Doing Business* uses the lending rates from the International Monetary Fund, supplemented with data from central banks and the Economist Intelligence Unit. The most recent round of data collection was completed in May 2019. [See the methodology for more information.](#)

What the indicators measure

Time required to recover debt (years)

- Measured in calendar years
- Appeals and requests for extension are included

Cost required to recover debt (% of debtor's estate)

- Measured as percentage of estate value
- Court fees
- Fees of insolvency administrators
- Lawyers' fees
- Assessors' and auctioneers' fees
- Other related fees

Outcome

- Whether business continues operating as a going concern or business assets are sold piecemeal

Recovery rate for creditors

- Measures the cents on the dollar recovered by secured creditors
- Outcome for the business (survival or not) determines the maximum value that can be recovered
- Official costs of the insolvency proceedings are deducted
- Depreciation of furniture is taken into account
- Present value of debt recovered

Strength of insolvency framework index (0- 16)

- Sum of the scores of four component indices:
- Commencement of proceedings index (0-3)
- Management of debtor's assets index (0-6)
- Reorganization proceedings index (0-3)
- Creditor participation index (0-4)

Case study assumptions

To make the data on the time, cost and outcome comparable across economies, several assumptions about the business and the case are used:

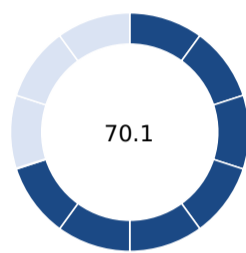
- A hotel located in the largest city (or cities) has 201 employees and 50 suppliers. The hotel experiences financial difficulties.
- The value of the hotel is 100% of the income per capita or the equivalent in local currency of USD 200,000, whichever is greater.
- The hotel has a loan from a domestic bank, secured by a mortgage over the hotel's real estate. The hotel cannot pay back the loan, but makes enough money to operate otherwise.

In addition, *Doing Business* evaluates the quality of legal framework applicable to judicial liquidation and reorganization proceedings and the extent to which best insolvency practices have been implemented in each economy covered.

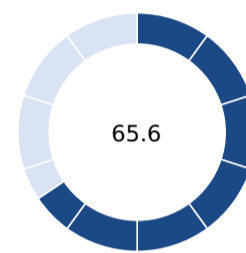
Resolving Insolvency - Jakarta

Indicator	Jakarta	East Asia & Pacific	OECD high income	Best Regulatory Performance
Recovery rate (cents on the dollar)	65.1	35.5	70.2	92.9 (Norway)
Time (years)	1.1	2.6	1.7	0.4 (Ireland)
Cost (% of estate)	22.0	20.6	9.3	1.0 (Norway)
Outcome (0 as piecemeal sale and 1 as going concern)	1
Strength of insolvency framework index (0-16)	10.5	7.0	11.9	None in 2018/19

Figure - Resolving Insolvency in Jakarta - Score

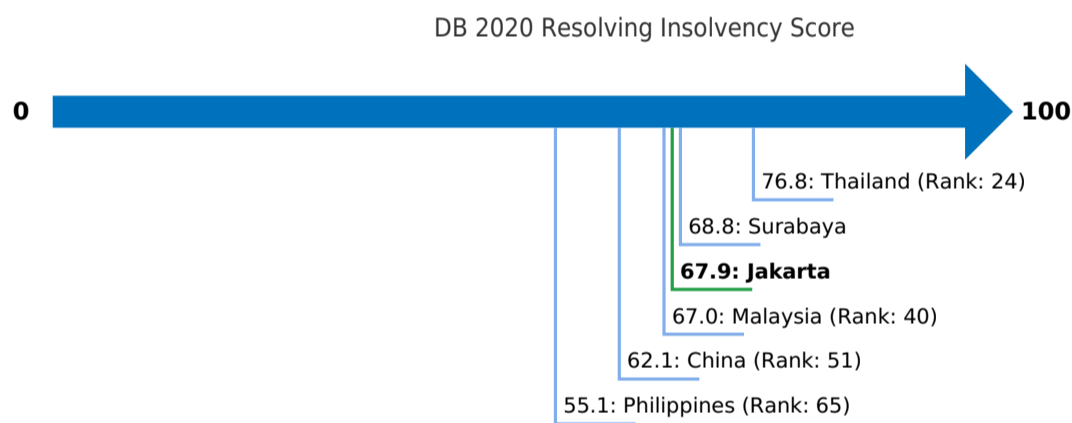


Recovery rate



Strength of insolvency framework index

Figure - Resolving Insolvency in Jakarta and comparator economies - Ranking and Score



Note: The ranking of economies on the ease of resolving insolvency is determined by sorting their scores for resolving insolvency. These scores are the simple average of the scores for the recovery rate and the strength of insolvency framework index.

Figure - Resolving Insolvency in Jakarta - Time and Cost

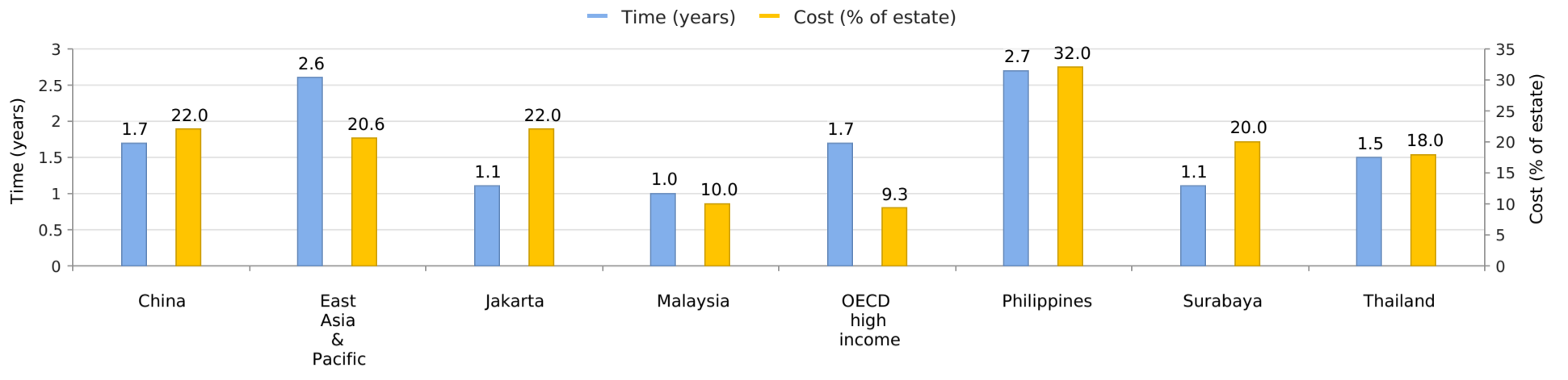
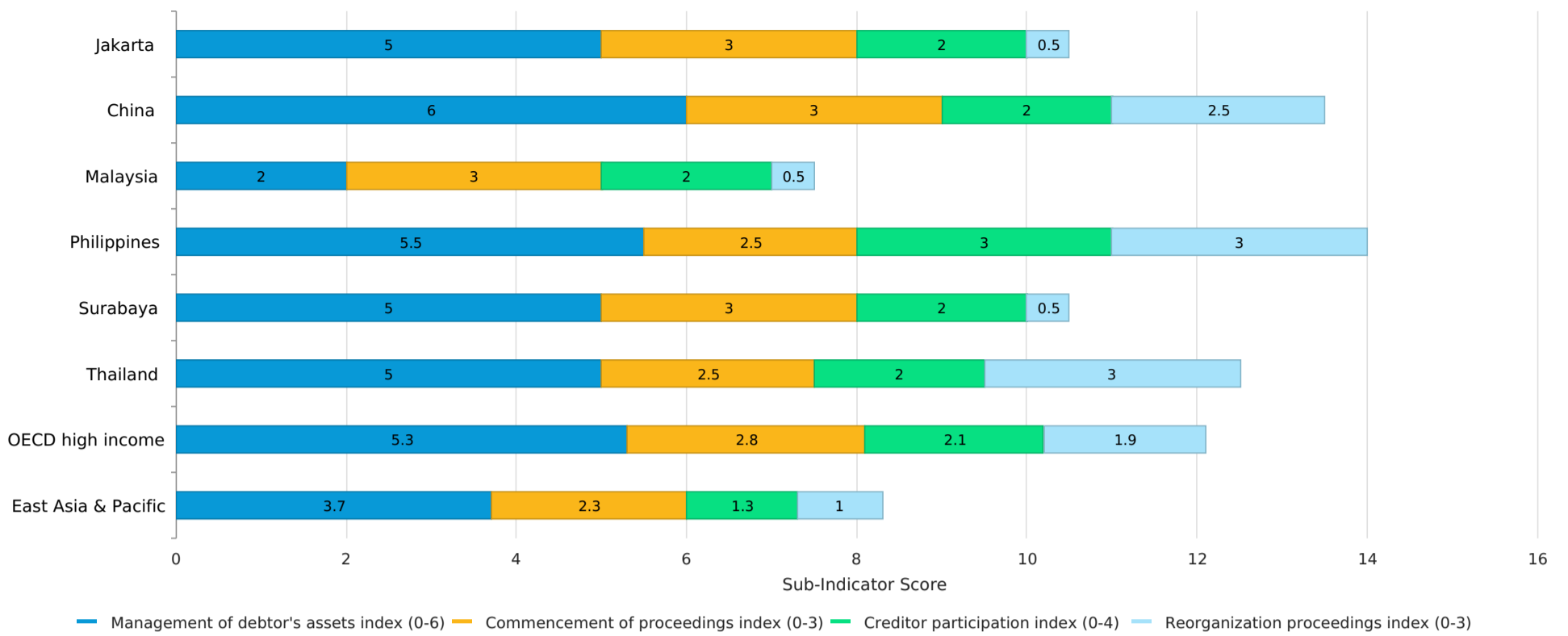
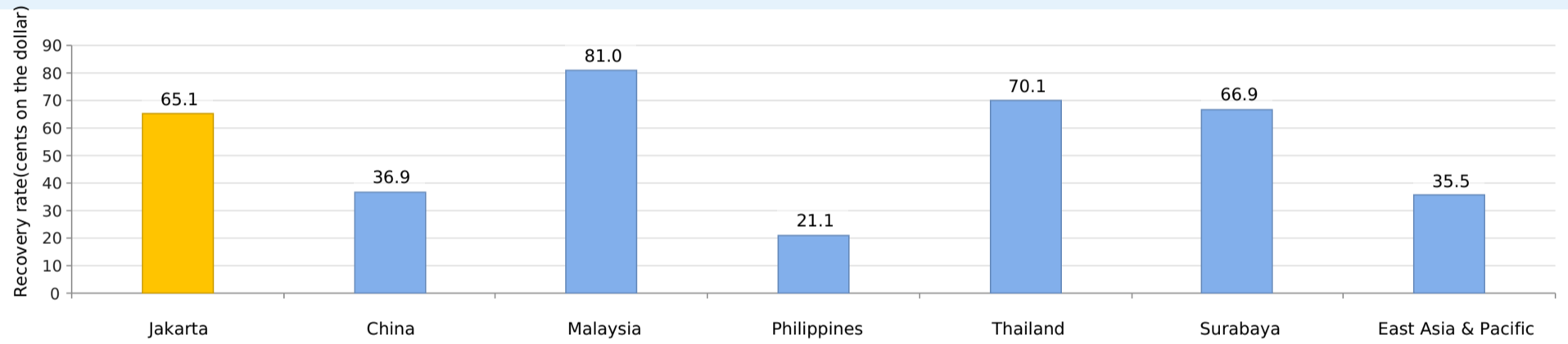


Figure - Resolving Insolvency in Jakarta and comparator economies - Measure of Quality



Note: Even if the economy's legal framework includes provisions related to insolvency proceedings (liquidation or reorganization), the economy receives 0 points for the strength of insolvency framework index, if time, cost and outcome indicators are recorded as "no practice."

Figure - Resolving Insolvency in Jakarta and comparator economies - Recovery Rate



Details - Resolving Insolvency in Jakarta

Indicator	Answer	Score
Proceeding	reorganization	BizBank would initiate foreclosure after Mirage's default on payment. Under Part Six of Law No. 37 of 2004 regarding Bankruptcy and Suspension of Obligation for Debt Payment, Mirage would petition to the Commercial Court for a suspension of payments. The foreclosure procedure then gets converted to reorganization. Suspension of payment cases are heard before the Commercial Court.
Outcome	going concern	After creditors approve the plan, it is possible to sell Mirage as going concern, because the prospect is good.
Time (in years)	1.1	BizBank would initiate foreclosure after Mirage's default on payment. According to Part Six of Law No. 37 of 2004 regarding Bankruptcy and Suspension of Obligation for Debt Payment, Mirage would petition to the Commercial Court for a suspension of payments. The foreclosure procedure then gets converted to reorganization. Suspension of payment cases are heard before the Commercial Court. It takes about 2 months from the moment the case is filed until the first hearing. The Commercial Court must then grant a provisional moratorium, and appoint a supervisory judge and an administrator or receiver to assist the debtor in managing its estate. The provisional moratorium period is 90 days, but the permanent moratorium, which can be granted as an extension, is 270 days (counted from the decision on the temporary suspension). During this time, Mirage must propose a composition plan and creditors will decide whether to accept the plan, reject it or proceed to a permanent moratorium. BizBank is likely to ratify the composition plan if the terms are beneficial because it will recover more than through foreclosure. The total process, since Mirage defaults up to the adoption of the plan is 13 months.
Cost (% of estate)	22.0	The costs associated with the case would amount to approximately 22% of the value of the debtor's estate. Cost incurred during the entire insolvency process mainly include court or government agency fees (1%), attorneys' fees (up to 10%), administrator's fees (up to 7.5%), fees of accountants, assessors, inspectors (up to 3%), other fees such as announcement fees (1%).
Recovery rate (cents on the dollar)		65.1

Details - Resolving Insolvency in Jakarta - Measure of Quality

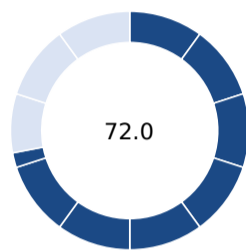
	Answer	Score
Strength of insolvency framework index (0-16)		10.5
Commencement of proceedings index (0-3)		3.0
What procedures are available to a DEBTOR when commencing insolvency proceedings?	(a) Debtor may file for both liquidation and reorganization	1.0
Does the insolvency framework allow a CREDITOR to file for insolvency of the debtor?	(a) Yes, a creditor may file for both liquidation and reorganization	1.0
What basis for commencement of the insolvency proceedings is allowed under the insolvency framework? (a) Debtor is generally unable to pay its debts as they mature (b) The value of debtor's liabilities exceeds the value of its assets	(a) Debtor is generally unable to pay its debts as they mature	1.0
Management of debtor's assets index (0-6)		5.0
Does the insolvency framework allow the continuation of contracts supplying essential goods and services to the debtor?	Yes	1.0
Does the insolvency framework allow the rejection by the debtor of overly burdensome contracts?	Yes	1.0
Does the insolvency framework allow avoidance of preferential transactions?	Yes	1.0
Does the insolvency framework allow avoidance of undervalued transactions?	Yes	1.0
Does the insolvency framework provide for the possibility of the debtor obtaining credit after commencement of insolvency proceedings?	Yes	1.0
Does the insolvency framework assign priority to post-commencement credit?	(c) No priority is assigned to post-commencement creditors	0.0
Reorganization proceedings index (0-3)		0.5
Which creditors vote on the proposed reorganization plan?	(a) All creditors	0.5
Does the insolvency framework require that dissenting creditors in reorganization receive at least as much as what they would obtain in a liquidation?	No	0.0
Are the creditors divided into classes for the purposes of voting on the reorganization plan, does each class vote separately and are creditors in the same class treated equally?	No	0.0
Creditor participation index (0-4)		2.0
Does the insolvency framework require approval by the creditors for selection or appointment of the insolvency representative?	Yes	1.0
Does the insolvency framework require approval by the creditors for sale of substantial assets of the debtor?	No	0.0
Does the insolvency framework provide that a creditor has the right to request information from the insolvency representative?	No	0.0
Does the insolvency framework provide that a creditor has the right to object to decisions accepting or rejecting creditors' claims?	Yes	1.0

Note: Even if the economy's legal framework includes provisions related to insolvency proceedings (liquidation or reorganization), the economy receives 0 points for the strength of insolvency framework index, if time, cost and outcome indicators are recorded as "no practice."

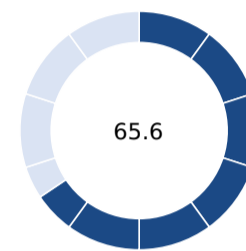
Resolving Insolvency - Surabaya

Indicator	Surabaya	East Asia & Pacific	OECD high income	Best Regulatory Performance
Recovery rate (cents on the dollar)	66.9	35.5	70.2	92.9 (Norway)
Time (years)	1.1	2.6	1.7	0.4 (Ireland)
Cost (% of estate)	20.0	20.6	9.3	1.0 (Norway)
Outcome (0 as piecemeal sale and 1 as going concern)	1
Strength of insolvency framework index (0-16)	10.5	7.0	11.9	None in 2018/19

Figure - Resolving Insolvency in Surabaya - Score

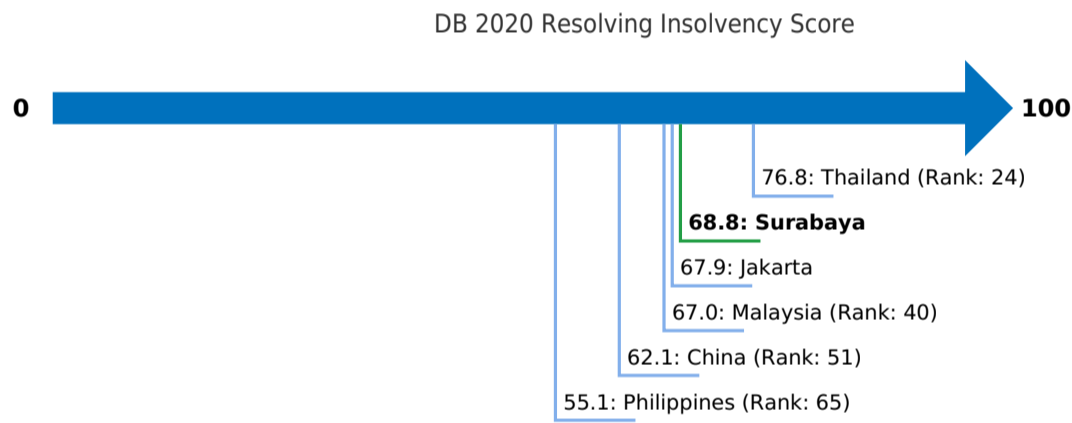


Recovery rate



Strength of insolvency framework index

Figure - Resolving Insolvency in Surabaya and comparator economies - Ranking and Score



Note: The ranking of economies on the ease of resolving insolvency is determined by sorting their scores for resolving insolvency. These scores are the simple average of the scores for the recovery rate and the strength of insolvency framework index.

Figure - Resolving Insolvency in Surabaya - Time and Cost

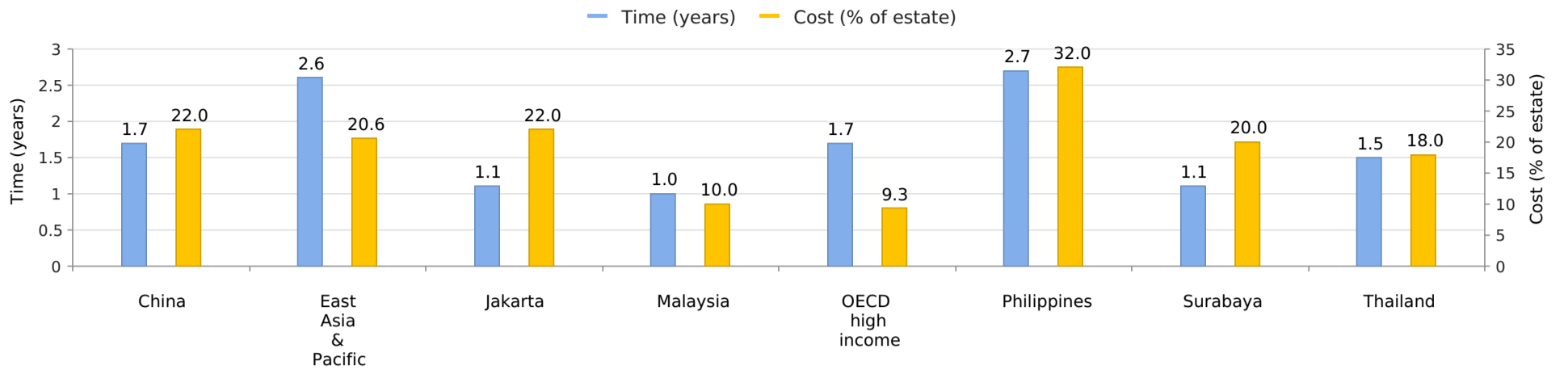
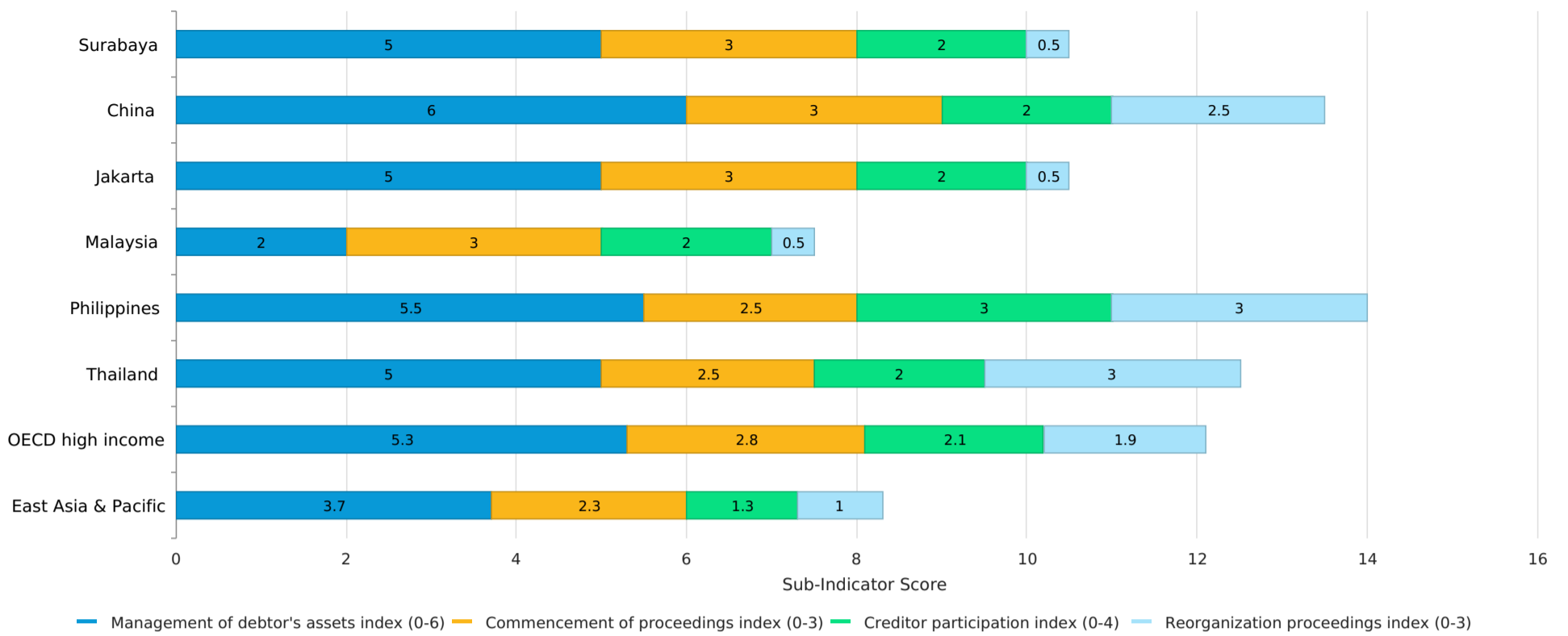
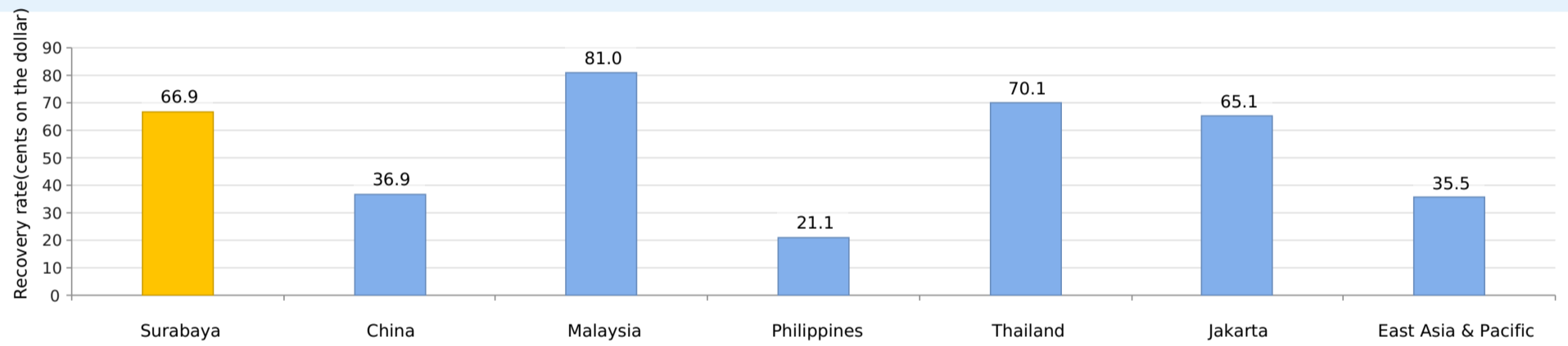


Figure - Resolving Insolvency in Surabaya and comparator economies - Measure of Quality



Note: Even if the economy's legal framework includes provisions related to insolvency proceedings (liquidation or reorganization), the economy receives 0 points for the strength of insolvency framework index, if time, cost and outcome indicators are recorded as "no practice."

Figure - Resolving Insolvency in Surabaya and comparator economies - Recovery Rate



Details - Resolving Insolvency in Surabaya

Indicator	Answer	Score
Proceeding	reorganization	BizBank would initiate foreclosure after Mirage's default on payment. Under Part Six of Law No. 37 of 2004 regarding Bankruptcy and Suspension of Obligation for Debt Payment, Mirage would petition to the Commercial Court for a suspension of payments. The foreclosure procedure then gets converted to reorganization. Suspension of payment cases are heard before the Commercial Court.
Outcome	going concern	After creditors approve the plan, it is possible to sell Mirage as going concern, because the prospect is good.
Time (in years)	1.1	BizBank would initiate foreclosure after Mirage's default on payment. According to Part Six of Law No. 37 of 2004 regarding Bankruptcy and Suspension of Obligation for Debt Payment, Mirage would petition to the Commercial Court for a suspension of payments. The foreclosure procedure then gets converted to reorganization. Suspension of payment cases are heard before the Commercial Court. It takes about 2 months from the moment the case is filed until the first hearing. The Commercial Court must then grant a provisional moratorium, and appoint a supervisory judge and an administrator or receiver to assist the debtor in managing its estate. The provisional moratorium period is 90 days, but the permanent moratorium, which can be granted as an extension, is 270 days (counted from the decision on the temporary suspension). During this time, Mirage must propose a composition plan and creditors will decide whether to accept the plan, reject it or proceed to a permanent moratorium. BizBank is likely to ratify the composition plan if the terms are beneficial because it will recover more than through foreclosure. The total process, since Mirage defaults up to the adoption of the plan is 13 months.
Cost (% of estate)	20.0	The costs associated with the case would amount to approximately 20% of the value of the debtor's estate. Cost incurred during the entire insolvency process mainly include court or government agency fees (1%), attorneys' fees (up to 8%), administrator's fees (up to 7.5%), fees of accountants, assessors, inspectors (up to 3%), other fees such as announcement fees (1%).
Recovery rate (cents on the dollar)		66.9

Details - Resolving Insolvency in Surabaya - Measure of Quality

	Answer	Score
Strength of insolvency framework index (0-16)		10.5
Commencement of proceedings index (0-3)		3.0
What procedures are available to a DEBTOR when commencing insolvency proceedings?	(a) Debtor may file for both liquidation and reorganization	1.0
Does the insolvency framework allow a CREDITOR to file for insolvency of the debtor?	(a) Yes, a creditor may file for both liquidation and reorganization	1.0
What basis for commencement of the insolvency proceedings is allowed under the insolvency framework? (a) Debtor is generally unable to pay its debts as they mature (b) The value of debtor's liabilities exceeds the value of its assets	(a) Debtor is generally unable to pay its debts as they mature	1.0
Management of debtor's assets index (0-6)		5.0
Does the insolvency framework allow the continuation of contracts supplying essential goods and services to the debtor?	Yes	1.0
Does the insolvency framework allow the rejection by the debtor of overly burdensome contracts?	Yes	1.0
Does the insolvency framework allow avoidance of preferential transactions?	Yes	1.0
Does the insolvency framework allow avoidance of undervalued transactions?	Yes	1.0
Does the insolvency framework provide for the possibility of the debtor obtaining credit after commencement of insolvency proceedings?	Yes	1.0
Does the insolvency framework assign priority to post-commencement credit?	(c) No priority is assigned to post-commencement creditors	0.0
Reorganization proceedings index (0-3)		0.5
Which creditors vote on the proposed reorganization plan?	(a) All creditors	0.5
Does the insolvency framework require that dissenting creditors in reorganization receive at least as much as what they would obtain in a liquidation?	No	0.0
Are the creditors divided into classes for the purposes of voting on the reorganization plan, does each class vote separately and are creditors in the same class treated equally?	No	0.0
Creditor participation index (0-4)		2.0
Does the insolvency framework require approval by the creditors for selection or appointment of the insolvency representative?	Yes	1.0
Does the insolvency framework require approval by the creditors for sale of substantial assets of the debtor?	No	0.0
Does the insolvency framework provide that a creditor has the right to request information from the insolvency representative?	No	0.0
Does the insolvency framework provide that a creditor has the right to object to decisions accepting or rejecting creditors' claims?	Yes	1.0

Note: Even if the economy's legal framework includes provisions related to insolvency proceedings (liquidation or reorganization), the economy receives 0 points for the strength of insolvency framework index, if time, cost and outcome indicators are recorded as "no practice."

Employing Workers

Doing Business presents detailed data for the employing workers indicators on the *Doing Business* website (<http://www.doingbusiness.org>). The study does not present rankings of economies on these indicators or include the topic in the aggregate ease of doing business score or ranking on the ease of doing business.

The most recent round of data collection was completed in May 2019. [See the methodology for more information.](#)

What the indicators measure

Hiring

(i) whether fixed-term contracts are prohibited for permanent tasks; (ii) maximum cumulative duration of fixed-term contracts; (iii) length of the maximum probationary period; (iv) minimum wage; (v) ratio of minimum wage to the average value added per worker.

Working hours

(i) maximum number of working days allowed per week; (ii) premiums for work: at night, on a weekly rest day and overtime; (iii) whether there are restrictions on work at night, work on a weekly rest day and for overtime work; (iv) length of paid annual leave.

Redundancy rules

(i) whether redundancy can be basis for terminating workers; (ii) whether employer needs to notify and/or get approval from third party to terminate 1 redundant worker and a group of 9 redundant workers; (iii) whether the law requires employer to reassign or retrain a worker before making worker redundant; (iv) whether priority rules apply for redundancies and reemployment.

Redundancy cost

(i) notice period for redundancy dismissal; (ii) severance payments, and (iii) penalties due when terminating a redundant worker. Data on the availability of unemployment protection for a worker with one year of employment is also collected.

Case study assumptions

To make the data comparable across economies, several assumptions about the worker and the business are used.

The worker:

- Is a cashier in a supermarket or grocery store, age 19, with one year of work experience.
- Is a full-time employee.
- Is not a member of the labor union, unless membership is mandatory.

The business:

- Is a limited liability company (or the equivalent in the economy).
- Operates a supermarket or grocery store in the economy's largest business city. For 11 economies the data are also collected for the second largest business city.
- Has 60 employees.
- Is subject to collective bargaining agreements if such agreements cover more than 50% of the food retail sector and they apply even to firms that are not party to them.
- Abides by every law and regulation but does not grant workers more benefits than those mandated by law, regulation or (if applicable) collective bargaining agreements.

Employing Workers - Jakarta

Details - Employing Workers in Jakarta

	Answer
Hiring	
Fixed-term contracts prohibited for permanent tasks?	Yes
Maximum length of a single fixed-term contract (months)	24.0
Maximum length of fixed-term contracts, including renewals (months)	36.0
Minimum wage applicable to the worker assumed in the case study (US\$/month)	281.4
Ratio of minimum wage to value added per worker	0.6
Maximum length of probationary period (months)	3.0
Working hours	
Standard workday	8.0
Maximum number of working days per week	6.0
Premium for night work (% of hourly pay)	0.0
Premium for work on weekly rest day (% of hourly pay)	0.0
Premium for overtime work (% of hourly pay)	75.0
Restrictions on night work?	No
Restrictions on weekly holiday?	No
Restrictions on overtime work?	No
Paid annual leave for a worker with 1 year of tenure (working days)	12.0
Paid annual leave for a worker with 5 years of tenure (working days)	12.0
Paid annual leave for a worker with 10 years of tenure (working days)	12.0
Paid annual leave (average for workers with 1, 5 and 10 years of tenure, in working days)	12.0
Redundancy rules	
Dismissal due to redundancy allowed by law?	Yes
Third-party notification if one worker is dismissed?	Yes
Third-party approval if one worker is dismissed?	Yes
Third-party notification if nine workers are dismissed?	Yes
Third-party approval if nine workers are dismissed?	Yes
Retraining or reassignment obligation before redundancy?	Yes
Priority rules for redundancies?	No
Priority rules for reemployment?	No
Redundancy cost	
Notice period for redundancy dismissal for a worker with 1 year of tenure (weeks of salary)	0.0
Notice period for redundancy dismissal for a worker with 5 years of tenure (weeks of salary)	0.0
Notice period for redundancy dismissal for a worker with 10 years of tenure (weeks of salary)	0.0
Notice period for redundancy dismissal (average for workers with 1, 5 and 10 years of tenure, in weeks of salary)	0.0
Severance pay for redundancy dismissal for a worker with 1 year of tenure (weeks of salary)	17.3
Severance pay for redundancy dismissal for a worker with 5 years of tenure (weeks of salary)	60.7

Severance pay for redundancy dismissal for a worker with 10 years of tenure (weeks of salary)	95.3
Severance pay for redundancy dismissal (average for workers with 1, 5 and 10 years of tenure, in weeks of salary)	57.8
Unemployment protection after one year of employment?	No

Employing Workers - Surabaya

Details - Employing Workers in Surabaya

	Answer
Hiring	
Fixed-term contracts prohibited for permanent tasks?	Yes
Maximum length of a single fixed-term contract (months)	24.0
Maximum length of fixed-term contracts, including renewals (months)	36.0
Minimum wage applicable to the worker assumed in the case study (US\$/month)	276.5
Ratio of minimum wage to value added per worker	0.6
Maximum length of probationary period (months)	3.0
Working hours	
Standard workday	8.0
Maximum number of working days per week	6.0
Premium for night work (% of hourly pay)	0.0
Premium for work on weekly rest day (% of hourly pay)	0.0
Premium for overtime work (% of hourly pay)	75.0
Restrictions on night work?	No
Restrictions on weekly holiday?	No
Restrictions on overtime work?	No
Paid annual leave for a worker with 1 year of tenure (working days)	12.0
Paid annual leave for a worker with 5 years of tenure (working days)	12.0
Paid annual leave for a worker with 10 years of tenure (working days)	12.0
Paid annual leave (average for workers with 1, 5 and 10 years of tenure, in working days)	12.0
Redundancy rules	
Dismissal due to redundancy allowed by law?	Yes
Third-party notification if one worker is dismissed?	Yes
Third-party approval if one worker is dismissed?	Yes
Third-party notification if nine workers are dismissed?	Yes
Third-party approval if nine workers are dismissed?	Yes
Retraining or reassignment obligation before redundancy?	Yes
Priority rules for redundancies?	No
Priority rules for reemployment?	No
Redundancy cost	
Notice period for redundancy dismissal for a worker with 1 year of tenure (weeks of salary)	0.0
Notice period for redundancy dismissal for a worker with 5 years of tenure (weeks of salary)	0.0
Notice period for redundancy dismissal for a worker with 10 years of tenure (weeks of salary)	0.0
Notice period for redundancy dismissal (average for workers with 1, 5 and 10 years of tenure, in weeks of salary)	0.0
Severance pay for redundancy dismissal for a worker with 1 year of tenure (weeks of salary)	17.3
Severance pay for redundancy dismissal for a worker with 5 years of tenure (weeks of salary)	60.7

Severance pay for redundancy dismissal for a worker with 10 years of tenure (weeks of salary)	95.3
Severance pay for redundancy dismissal (average for workers with 1, 5 and 10 years of tenure, in weeks of salary)	57.8
Unemployment protection after one year of employment?	No

Business Reforms in Indonesia

From May 2, 2018 to May 1, 2019, 115 economies implemented 294 business regulatory reforms across the 10 areas measured by Doing Business. Reforms inspired by *Doing Business* have been implemented by economies in all regions. The following are reforms implemented since *Doing Business* 2008.

✓ = *Doing Business* reform making it easier to do business. ✗ = Change making it more difficult to do business.

DB2020

- ✓ **Starting a Business:** Indonesia (Jakarta) made starting a business easier by introducing an online platform for business licensing and replacing hard copies with electronic certificates.
- ✓ **Getting Electricity:** Indonesia (Surabaya) improved the reliability of power supply following renovations to and enhanced maintenance of its electrical grid. Indonesia (Surabaya) also made obtaining new electrical connections faster thanks to higher generation capacity.
- ✓ **Paying Taxes:** Indonesia made paying taxes easier by introducing an online filing and payment system for the major taxes. This reform applies to both Jakarta and Surabaya.
- ✓ **Trading across Borders:** Indonesia made trading across borders easier by improving the online processing of export customs declarations. This reform applies to both Jakarta and Surabaya.
- ✓ **Enforcing Contracts:** Indonesia made enforcing contracts easier by introducing an electronic case management system for judges. This reform applies to both Jakarta and Surabaya.

DB2019

- ✓ **Starting a Business:** Indonesia made starting a business easier by combining different social security registrations and by reducing notarization fees in both Jakarta and Surabaya. Also, different registrations were combined at the one-stop shop in Surabaya.
- ✓ **Registering Property:** Indonesia made registering property easier by reducing the time to solve land disputes at the First Instance Court and enhanced the transparency of the land registry. This reform applies to both Jakarta and Surabaya.
- ✓ **Getting Credit:** Indonesia improved access to credit information by distributing data from retailers and utility companies. This reform applies to both Jakarta and Surabaya.

DB2018

- ✓ **Starting a Business:** Indonesia made starting a business less costly by reducing the start-up fees for limited liability companies. This reform applies to both Jakarta and Surabaya.
- ✓ **Getting Electricity:** Indonesia made getting electricity less costly by reducing connection and internal wiring certification fees. In Jakarta, getting electricity was also made easier after the utility streamlined the processing of new connection applications.
- ✓ **Registering Property:** Indonesia made registering property easier by reducing the transfer tax. This reform applies to Jakarta and Surabaya.
- ✓ **Getting Credit:** Indonesia improved access to credit information by launching a new credit bureau. This reform applies to both Jakarta and Surabaya.
- ✓ **Protecting Minority Investors:** Indonesia strengthened minority investor protections by increasing shareholder rights and role in major corporate decisions and requiring greater corporate transparency. This reform applies to both Jakarta and Surabaya.
- ✓ **Paying Taxes:** Indonesia made paying taxes easier by promoting the online filing of taxes and by lowering the rate for capital gains tax. Indonesia also increased the ceiling used in the calculation of health care contribution. These reforms apply to both Jakarta and Surabaya.
- ✓ **Trading across Borders:** Indonesia made importing faster by introducing an electronic single billing system. This reform applies to both Jakarta and Surabaya.

DB2017

- ✓ **Starting a Business:** Indonesia made starting a business easier by creating a single form to apply for the company registration certificate and trading license. This reform applies to Jakarta. Indonesia also made starting a business easier by abolishing the minimum capital requirement for small and medium-size enterprises and by encouraging the use of an online system to reserve company names. This reform applies to both Jakarta and Surabaya.
- ✓ **Getting Electricity:** Indonesia made the process for getting an electricity connection faster by reducing the time for contractors to perform external work thanks to an increase in the stock of electrical material supplied by the utility. In Surabaya, getting electricity was also made easier after the utility streamlined the process for new connection requests.
- ✓ **Registering Property:** Indonesia made it easier to register property by digitizing its cadastral records and setting up a geographic information system.
- ✓ **Getting Credit:** Indonesia strengthened access to credit by establishing a modern collateral registry.
- ✓ **Paying Taxes:** Indonesia made paying taxes easier by introducing an online system for filing and paying health contributions. Indonesia also made paying taxes more costly by levying a new pension contribution at a rate of 2% paid by employers. These reforms apply to both Jakarta and Surabaya.
- ✓ **Trading across Borders:** Indonesia made exporting and importing easier by improving the customs services and document submission functions of the Indonesia National Single Window.
- ✓ **Enforcing Contracts:** Indonesia made enforcing contracts easier by introducing a dedicated procedure for small claims that allows for parties' self-representation. This reform applies to both Jakarta and Surabaya.

DB2016

- ✓ **Starting a Business:** Indonesia made starting a business in Jakarta easier by reducing the time needed to register with the Ministry of Manpower.
- ✓ **Getting Credit:** Indonesia improved access to credit by enabling searches of the collateral registry by the debtor's name. This reform applies to both Jakarta and Surabaya.
- ✓ **Paying Taxes:** Indonesia made paying taxes easier and less costly for companies by introducing an online system for paying social security contributions and by reducing both the rate paid by employers and the ceiling for the contributions. This reform applies to both Jakarta and Surabaya.

DB2015

- ✓ **Starting a Business:** Indonesia made starting a business easier by allowing the Ministry of Law and Human Rights to electronically issue the approval letter for the deed of establishment. This reform applies to both Jakarta and Surabaya.
- ✓ **Getting Electricity:** In Indonesia the electricity company in Jakarta made getting electricity easier by eliminating the need for electrical contractors to obtain multiple certificates guaranteeing the safety of internal installations—though. The utility in Jakarta and Surabaya also increased the cost by introducing a security deposit for new connections.
- ✓ **Paying Taxes:** Indonesia made paying taxes less costly for companies by reducing employers' health insurance contribution rate. This reform applies to both Jakarta and Surabaya.
- ✗ **Trading across Borders:** In Indonesia trading across borders became more difficult because of insufficient infrastructure at the Tanjung Priok Port Jakarta. This change applies to both Jakarta and Surabaya.

DB2014

- ✓ **Getting Credit:** Indonesia improved its credit information system through a new regulation setting up a legal framework for establishing credit bureaus.

DB2013

- ✓ **Getting Electricity:** Indonesia made getting electricity easier by eliminating the requirement for new customers applying for an electricity connection to show a neighbor's electricity bill as a way to help determine their address.

DB2012

- ✓ **Starting a Business:** Indonesia made starting a business easier by introducing a simplified application process allowing an applicant to simultaneously obtain both a general trading license and a business registration certificate.
- ✗ **Getting Electricity:** Indonesia made getting electricity more difficult by increasing connection fees.

DB2011

- ✓ **Starting a Business:** Indonesia eased business start-up by reducing the cost for company name clearance and reservation and the time required to reserve the name and approve the deed of incorporation.
- ✓ **Paying Taxes:** Indonesia reduced its corporate income tax rate.
- ✓ **Trading across Borders:** Indonesia reduced the time to export by launching a single-window service.

DB2010

- ✓ **Starting a Business:** Indonesia made starting a business easier by introducing online service, eliminating certain licenses, increasing efficiency at the registry and reducing several fees.
- ✓ **Registering Property:** Indonesia made registering property easier by introducing time limits for procedures at the land registry.
- ✓ **Protecting Minority Investors:** Indonesia strengthened investor protections by increasing disclosure requirements for related-party transactions.
- ✓ **Paying Taxes:** Indonesia made paying taxes less costly for companies by reducing the top corporate income tax rate.

DB2009

- ✗ **Starting a Business:** Indonesia made starting a business more difficult by more than doubling the minimum capital requirement.
- ✓ **Getting Credit:** Indonesia improved access to credit information by guaranteeing borrowers' right to inspect their own data in the public credit registry.

DB2008

- ✗ **Starting a Business:** Indonesia made starting a business more difficult by increasing the paid-in minimum capital requirement.
- ✓ **Dealing with Construction Permits:** Indonesia made dealing with construction permits easier by implementing a new building regulation that revoked earlier provisions on the time period to complete building permits—leading to a reduction in the time to obtain a building permit.
- ✓ **Getting Credit:** Indonesia's public credit registry eliminated the minimum threshold for loans included in its database, improving access to credit information.
- ✓ **Protecting Minority Investors:** Indonesia strengthened investor protections by expanding the already extensive disclosure requirements for companies listed on the stock exchange.
- ✓ **Paying Taxes:** Indonesia made paying taxes easier for companies by simplifying filing requirements and encouraging the use of electronic systems.

Doing Business 2020 is the 17th in a series of annual studies investigating the regulations that enhance business activity and those that constrain it. It provides quantitative indicators covering 12 areas of the business environment in 190 economies. The goal of the *Doing Business* series is to provide objective data for use by governments in designing sound business regulatory policies and to encourage research on the important dimensions of the regulatory environment for firms.

www.doingbusiness.org



ISBN 978-1-4648-1440-2



SKU 211440