

BKPM REPORTS - A REMINDER

The Investment Coordinating Board (BKPM) recently revoked 6,541 in-principle investment permits for foreign investors issued between 2007 and 2012. The permits, which serve as an initial license to start a direct investment, were canceled because the firms had not reported their investment activities to BKPM for years, partly as a result of not having progressed to the realization of their investment.

Under Regulation of the Head of BKPM No.3 of 2012 on Guidelines and Procedures for the Supervision of the Implementation of Capital Investment, investors must submit regular reports on actual progress in their investments, including any obstacles they encounter (Investment Activity Reports or LKPM). LKPMs are used for monitoring the realization of investment and production. Companies still in the in development stage must submit LKPMs every 3 months as follows:

1. progress reports for January-March must be submitted before April 5th of the same year;
2. progress reports for April-June must be submitted before July 5th of the same year;
3. progress reports for July-September must be submitted before October 5th of the same year;
4. progress reports for October-December must be submitted before January 5th of the following year

Companies that are in the commercial operation/production stage and already have a business license from BKPM must submit LKPMs every 6 months (semester) as follows:

1. progress reports for January-June must be submitted before the end of July of the same year;
2. progress reports for July-December must be submitted before the end of January of the following year.

LKPM reports can be submitted in 3 (three) ways:

1. online through the Electronic Investment Licensing and Information Centre System (Sistem Pelayanan Informasi dan Perizinan Investasi Secara Elektronik or SPIPISE) on www.nswi.bkpm.go.id;
2. directly to BKPM-RI or the relevant Provincial Capital Investment Board (Badan Penanaman Modal Provinsi) or the relevant Regency/Municipality where the capital investment project is located;

3. by email to lkpm@bkpm.go.id.

Companies can download the LKPM form and follow the completion instructions in the application form menu at www.bkpm.go.id.

If a company fails to submit its LKPM, its investment license or investment facilities may be revoked. It is therefore important to ensure that your LKPMs are up to date.