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Minister of Public Works and Housing Circular Letter No. 21/SE/M/2021: Updates on the Procedures for Obtaining Construction Business Entity Certificates (SBU)

On 25 November 2021, the Ministry of Public Works and Housing (“MPW”) issued Circular Letter No. 21/SE/M/2021 on The Procedure for the Fulfillment of the Business License Requirements, the Implementation of Construction Work Competence Certification, and the Implementation of Business Entity Certificates and Construction Work Competence Certificates (“Circular Letter”). Previously, construction licensing was scattered among a few online platforms, such as the MPW’s online portal and the Integrated Construction Services Information System (“SIJK”).

The Circular Letter tries to bridge and harmonize the procedures for construction licensing following the launch of the licensing simplification platform, the Online Single Submission-Risk Based Approach (“OSS-RBA”). With the issuance of this Circular Letter, Circular Letter of the Minister of Public Works and Public Housing Number 10/SE/M/2021 on The Procedures for Applying for a Business-Entity Certification Agency (Lembaga Sertifikasi Badan Usaha – “LSBU”), Construction Work Competency Certification, and Business Entity Certification has been revoked and declared no longer in effect.

Under the Circular Letter, in order to engage in its business activities, a Construction Services Business Entity (Badan Usaha Jasa Konstruksi – “BUJK”) requires a Business Identification Number (Nomor Induk Berusaha – “NIB”) and a standards certificate or in this case, a Construction Business Entity Certificate (Sertifikat Badan Usaha – “SBU”).

The Circular Letter provides the following procedure for obtaining the above:

I. NIB

The application is now processed through the OSS-RBA.

II. SBU

To obtain a SBU, the business actor must complete i) the application procedure and ii) the verification and approval of the SBU. The application form explains how an unverified SBU will be issued. Meanwhile, the verification and approval form explains how the issued SBU must be uploaded to be considered a verified standards certificate.

i) The Application Procedure for an SBU

Applicants who already hold an NIB should register for business authorization to support their business activities (“**PB-UMKU**”) as a preliminary step to obtaining an SBU. This application is submitted through the OSS-RBA which has been integrated with the SIJK. Applicants must be registered members of a BUJK on the Construction Services Development Board (Lembaga Pengembangan Jasa Konstruksi – “**LPJK**”, the authorized construction services provider agency).

Then, applicants must submit the following data and documents:

- 1) the annual sales data;
- 2) the financial capability data;
- 3) data on the availability of construction workers;
- 4) data on the ability to provide construction equipment;
- 5) the Quality Management System Implementation data;
- 6) the Anti-bribery Management System Implementation data.

The relevant LSBU will confirm the completeness of the above data and documents. If they are complete, the LSBU will issue a bill of costs and send a draft certification agreement to the business actor. Once the bill of costs has been paid and the payment has been confirmed by the LPJK system, the certification procedure begins.

The certification procedure begins with the LSBU further checking the applicant's feasibility. A qualified assessor is assigned by the LSBU to assess the feasibility of the business entity according to the documents submitted. If its feasibility is confirmed, it is reported to the LPJK for

the numbering and recording of the SBU. Then the LPJK submits the SBU data to the Licensing Portal for processing through the OSS-RBA.

After being processed through the OSS-RBA, the SBU data now in the form of Technical Data is brought together with the Standard Certificate documents. The unverified SBU is then issued on the PB-UMKU page along with its QR code.

ii) The Verification and Approval of the SBU

After the above procedure has been completed, the applicant must upload the PB UMKU document to the OSS-RBA to fulfill the business standards/standards certificate requirements. The holder of the right of access to the OSS-RBA at the MPW then completes the verification and approval of the PB UMKU document to fulfill the Standard Certificate requirements in the OSS-RBA system. The verified NIB documents and Standard Certificates are then issued through the OSS-RBA system.

III. Transitional Provision

Under the transitional provision of the Circular Letter, applicants that have already submitted their applications to amend or modify their data may move their application from the LPJK Certification Organizing Team to the OSS-RBA system. With the operation of the LSBU and LSP in the service of the SBU and Construction Work Competency Certification (*Sertifikasi Kompetensi Kerja Konstruksi - SKK*), the LPJK will stop providing the SBU and SKK application services.

Please do not hesitate to contact us if you need further assistance regarding the above.



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