

NEW NEGATIVE INVESTMENT LIST – DEFINITELY LESS NEGATIVE BUT STILL NOT TRULY POSITIVE¹²³⁴⁵

INTRODUCTION

Indonesia's long promised new Negative Investment List has now been issued.

While not really living up to the Government's "hype" of this being the first time Indonesia has had a "positive" Investment List, the 2021 Negative Investment List is certainly a very material improvement on the previous 2016 Negative Investment List. A more objective description might be the "somewhat less negative" 2021 Negative Investment List. That more objective description is particularly appropriate when the 2021 Negative Investment List is viewed from the perspective of foreign investment in the mining, minerals processing, oil & gas, power generation, renewables and construction industries.

In this article, the writer will review the main changes introduced by the 2021 Negative Investment List, with a particular emphasis on how the 2021 Negative Investment List deals with foreign investment in the mining, minerals processing, oil & gas, power generation, renewables and construction industries.

BACKGROUND

Indonesia has, for a long time, used a so-called "Negative Investment List" to set out the broad parameters of what is allowed and what is not allowed in terms of investment in different business fields or industry sectors. The Negative Investment List is intermittently revised and updated to reflect significant changes in Government policy with regard to investment in different business fields or industry sectors. As such, the Negative Investment List is a "must read" in order to understand current Government policy with regard to investment, whether this be domestic investment or foreign investment.

The last Negative Investment List was set out in Presidential Regulation No. 44 of 2016 re List of Business Fields that are Closed to Investment and Business Fields that are Conditionally Open to Investment ("**2016 Negative Investment List**"). The 2016 Negative Investment List divided industry sectors or "business fields" into (i) Open Business Fields, (ii) Closed Business Fields and (iii) Business Fields that were Conditionally Open.

Business fields/industry sectors, that were not mentioned in either the list of Closed Business Fields or the list of Conditionally Open Business Fields were declared to be "*Open Business Fields*" ("**OBF Declaration**").

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Conditionally Open Business Fields were business fields that were:

- (a) reserved for small, micro and medium business and co-operatives as well as for partnerships with micro, small and medium business enterprises (“**MSMEs**”) and co-operatives; and
- (b) open subject to special conditions including (i) 100% domestic ownership, (ii) limited foreign ownership, (ii) specific locations only, (iii) special licenses/permits required and/or (iv) limited capital ownership within the scope of promoting co-operation among members of the Association of South East Asian Nations (“**ASEAN**”) (“**ASEAN Special Treatment Exception**”).

The 2016 Negative Investment List made clear that, where investment in Conditionally Open Business Fields was carried out “*through indirect or portfolio investment in domestic capital markets transactions*” (**i.e.**, investment in the shares of companies listed on the Indonesia Stock Exchange (“**IDX**”)), the relevant business fields became Open Business Fields (“**Portfolio Investment Exception**”).

The 2016 Negative Investment List further specified that where investment in Conditionally Open Business Fields was carried out in a special economic zone, such business fields/industry sectors became Open Business Fields except in the case of business fields/industry sectors reserved for MSMEs and co-operatives (“**SEZ Exemption**”).

The 2016 Negative Investment List went on to provide that, in the case of mergers, acquisitions or consolidations involving companies with foreign investors and operating in the same business field, the applicable investment conditions were as follows:

- (a) mergers - the investment conditions or restrictions attaching to the surviving company had to be complied with;
- (b) acquisitions - the investment conditions or restrictions attaching to the acquired company had to be complied with; and
- (c) consolidations - the investment conditions or restrictions attaching to the consolidated company had to be complied with (“**Mergers Acquisitions & Consolidations Treatment**”).

In addition, the 2016 Negative Investment List specified that where foreign investment in a company resulted in an expansion of business activities requiring increased capital:

- (a) that was satisfied through a rights issue in which domestic investors cannot participate, any subsequent sale of shares by the foreign investor was subject to a right of first refusal in favor of the domestic investors; and
- (b) any foreign ownership then in excess of the applicable foreign ownership limitation had to be brought into line with the applicable foreign ownership limitation within a maximum of 2 years by way of (i) divestiture in favor of domestic investors, (ii) public offering and an Indonesia Stock Exchange listing or (iii) repurchase of excess shares owned by foreign investors that were then to be treated as treasury stock (“**Business Activity Expansion Treatment**”).

Finally, the 2016 Negative Investment List obliged investors to comply with “*any technical terms and conditions of the performance of business activities*” imposed by (i) ministries/institutions which were “*technically competent*” in the relevant business field and/or (ii) provincial/regional governments where they were authorized to impose such technical terms and conditions (“**Technical Terms & Conditions Compliance Requirement**”).

The 2016 Negative Investment List has now been replaced by a new Negative Investment List which is set out in Presidential Regulation No. 10 of 2021, dated 2 February 2021, re Business Sector Investment (“**2021 Negative Investment List**”). This is in accordance with Article 185(a) of Law No. 11 of 2020 re Job Creation (“**Omnibus Law**”).

ANALYSIS AND DISCUSSION

1. Overview of 2021 Negative Investment List

The 2021 Negative Investment List adopts a somewhat different approach, to that used in the previous 2016 Negative Investment List, in categorizing industry sectors/business fields open or closed to investment. It also abolishes altogether or sets lower maximum foreign ownership limitations for some other industry sectors – particularly power plants, renewables and construction. In addition, the 2021 Negative Investment List integrates available tax incentives for investment in different industry sectors with the applicable foreign ownership limitations and other applicable requirements.

In the 2021 Negative Investment List, all business fields/industry sectors are expressly stated to be open to investment except for (i) those business fields/industry sectors declared closed for investment and (ii) business fields/industry sectors in which investment activities that can only be carried out by the Central Government. This statement and the fact that the particular business fields/industry sectors declared closed for investment are no longer to be found in the 2021 Negative Investment List but, rather, in the Omnibus Law are, presumably, the basis for the Government’s assertion that the 2021 Negative Investment List is, in fact, the first “Positive Investment List” for Indonesia.

The wording of the “open for investment” statement in the 2021 Negative Investment List is, however, substantially the same as the wording of the equivalent OBF Declaration in the previous 2016 Investment List. It also surely does not make any real difference whether the details of the business fields/industry sectors closed to investment appear in the Negative Investment List itself (as with the previous 2016 Negative Investment List) or in a separate piece of legislation (***i.e.***, in the Omnibus Law as with the 2021 Negative Investment List). The net result is exactly the same in each case. As such, the Government’s assertion that the 2021 Negative Investment List is Indonesia’s first “Positive Investment List” is really just an exercise in semantics and marketing “spin”.

2. Changes in Categorization of Industry Sectors/Business Fields

The 2021 Negative Investment List initially categorizes industry sectors/business fields in much the same way as the previous 2016 Negative Investment List did but then further categorizes or divides business fields that are open for investment into:

- (a) 245 priority business fields;

- (b) 89 business fields allocated to or for partnership with co-operatives and MSMEs;
- (c) 46 business fields with certain requirements; and
- (d) business fields that are not included in categories (a), (b) or (c) above and are open to all investors.

Priority business fields are business fields that meet one or other of the following criteria/fall into one or other of the following categories:

- (a) part of national strategic programs/projects;
- (b) capital intensive;
- (c) labour intensive;
- (d) high technology;
- (e) pioneer industries;
- (f) export orientation/import substitution; and/or
- (g) orientation in the activities of research, development and innovation.

The significance of the priority business field classification is that companies investing in a priority business field are entitled to fiscal and/or non-fiscal incentives.

Fiscal incentives include (i) reduction of corporate income tax (“**Tax Holidays**”), (ii) income tax facilities (“**Tax Allowances**”) and (iii) gross income/net income reduction for taxable income calculation purposes (“**Investment Allowances**”).

Non-fiscal incentives include (i) facilitation of business licensing, (ii) provision of supporting infrastructure, (iii) energy access, (iv) guaranteed availability of raw materials, (v) assistance with immigration and labour hire needs and (vi) other facilities in accordance with applicable laws and regulations.

3. **Special Situations**

The 2021 Negative Investment List maintains and otherwise does not materially change (i) the Portfolio Investment Exception, (ii) the SEZ Exception or (iii) the Mergers Acquisitions & Consolidations Treatment.

The 2021 Negative Investment List, however, **no** longer makes any specific reference to the (i) the Business Activity Expansion Treatment or (ii) the Technical Terms & Conditions Compliance Requirement.

The Technical Terms & Conditions Compliance Requirement may, though, have simply been reformulated/reworded as the 2021 Negative Investment List now provides that (i) the *“implementation of investment activities must refer to norms, standards, procedures and criteria*

stipulated by the Government” and (ii) “business licensing in the framework of investment implementation must be in accordance with the provisions of laws and regulations in the business licensing sector.”

The 2021 Negative Investment List, like the previous 2016 Negative Investment List, can lead the unwary reader to think that there are no foreign ownership limitations or other restrictions applicable to foreign-owned companies operating in those business fields which are shown in the 2021 Negative Investment List as being wholly open to foreign investment. This, though, is definitely **not** the case. Given it is a presidential regulation only, the 2021 Negative Investment List **cannot** change or remove existing foreign ownership limitations and other restrictions applicable to foreign-owned companies that are to be found in higher ranking legislative instruments such as laws and government regulations. Accordingly, the foreign ownership divestiture requirement in the 2009 Mining Law (as amended by the Omnibus Law) and the 2017 Construction Law requirement to have a national construction company as a shareholder, in the case of foreign-owned construction companies, continue to apply. As such, the apparent “openness” or “positivity” of the 2021 Negative Investment List is somewhat misleading given it is, by **no** means, the “full story” when it comes to foreign ownership limitations and other restrictions applicable to foreign-owned companies operating in Indonesia. It would, therefore, be a **serious mistake** for potential foreign investors to make material investment decisions based on what is in the 2021 Negative Investment List only.

The 2021 Negative Investment List also “spells out”, for the first time, that business licensing in the “*financial business sector*” and the “*banking business sector*” must be in accordance with the laws and regulations in the financial sector and the banking sector. Although this has long been the case in practice, it was not referred to in the previous 2016 Negative Investment List. Curiously, the 2021 Negative Investment List does not refer to other business fields/industry sectors that are separately regulated when it comes to foreign investment – the mining sector, the oil & gas sector and construction sectors being the obvious examples.

Finally, the 2021 Negative Investment List newly recognizes an exception (which if not new in itself is at least much more broadly worded than it was in the previous 2016 Negative Investment List) to the limitations on maximum foreign ownership in the case of investors which have obtained special rights based on an agreement between Indonesia and the country of origin of the investor unless the provisions of the 2021 Negative Investment List are more favourable for the relevant investor (“**Bi-lateral Agreement Exception**”).

The Bi-lateral Agreement Exception is interesting as it clearly covers not only the ASEAN Special Treatment Exception (which is no longer expressly mentioned in the 2021 Negative Investment List) but also other bi-lateral treaties to which Indonesia is a party including, most notably, the Indonesia Australia Comprehensive Economic Partnership Agreement (“**IA-CEPA**”). To the extent Annexure II to IA-CEPA allows Australian investors and services providers to invest/operate in certain business fields/industry sectors with fewer requirements and less onerous restrictions than are specified in the 2021 Negative Investment List, then Australian investors and services providers will be entitled to the better treatment available under IA-CEPA. It is important to bear in mind, however, that IA-CEPA also sets out a number of Indonesian “non-conforming measures” which are expressly excluded from any right of challenge by Australian investors and services providers on the basis of the protections/rights otherwise accorded to Australian investors and services providers by IA-CEPA. As these excluded “non-conforming measures” include various foreign ownership limitations and divestiture requirements imposed by Indonesia, it would be a mistake to assume that the Bi-lateral Agreement Exception will be of any help to Australian investors and

services providers in providing a new basis for challenging these “non-conforming measures” including in the mining sector.

4. **Fewer Business Fields Closed to Investment**

The number of business fields/industry sectors closed to investment has been reduced from 20 business fields/industry sectors in the previous 2016 Negative Investment List to only 6 business fields/industry sectors in the 2021 Negative Investment List. The remaining 6 business fields/industry sectors closed to investment, as set out in the Omnibus Law, are (i) cultivation and industrial activities in respect of Category 1 narcotics, (ii) any form of gambling and operation of casinos, (iii) fishing activities in respect of those fish species mentioned in Appendix 1 of the Convention re International Trade in Endangered Species of Wild Fauna and Flora, (iv) harvesting or utilization of coral, (v) chemical weapons manufacturing and (vi) industrial chemicals resulting in ozone depletion.

Unfortunately, however, none of the 14 business fields/industry sectors to be newly opened to investment are even remotely relevant to the mining, minerals processing, oil & gas, power generation, renewables or construction industries.

5. **Integration of Investment Requirements and Available Tax Concessions**

The 2021 Negative Investment List does not necessarily offer companies investing in the newly specified “priority business fields” any new fiscal and/or non-fiscal incentives that are not already provided for elsewhere. However, for the first time, the 2021 Negative Investment List sets out, in the one document, both the investment requirements applicable to different business fields/industry sectors and the available fiscal/non-fiscal incentives available to companies investing in those business fields/industry sectors that are designated as “priority business fields”. This is a commendable development as it greatly facilitates assessment of the attractiveness or otherwise of individual business fields/industry sectors as potential investment destinations.

6. **Treatment of Certain Individual Business Fields/Industry Sectors**

6.1 **Mining:** The treatment of mining, in the 2021 Negative Investment List, is set out in the following table:

TABLE 1 - MINING

No.	Business Sector	2016 Negative Investment List Specific Requirements/ Limitations	2021 Negative Investment List Specific Requirements/ Limitations ⁶	2021 Negative Investment List Identified Available Tax Incentives
1.1	Iron sand mining	N/A	N/A	<p>Available Fiscal Incentive: Tax Allowance</p> <p>Scope of Product: Iron sand processing and/or refining</p> <p>Requirement: New construction and/or expansion of smelters</p>
1.2	(a) Iron ore mining; (b) Uranium and thorium ore mining; (c) Tin ore mining; (d) Lead ore mining; (e) Bauxite and aluminum ores mining; (f) Copper ore mining; (g) Nickel ore mining; (h) Manganese ore mining;	N/A	N/A	<p>Available Fiscal Incentive: Tax Allowance</p> <p>Scope of Product: Ore processing and/or refining</p> <p>Requirement: New construction and/or expansion of smelters</p>
1.3	Mining of other minerals that do not contain iron ore	N/A	N/A	<p>Available Fiscal Incentive: Tax Allowance</p> <p>Scope of product: processing and/or refining of: (i) Zinc ore; (ii) Zirconium ore; (iii) Chromite ore; (iv) Antimony ore; (v) Ilmenite; (vi) Rutile; (vii) rare earth metals.</p> <p>Requirement: New construction and/or expansion of smelters</p>

⁶ Please note carefully that the foreign ownership divestiture requirement in the 2009 Mining Law (as amended by the Omnibus Law) continues to apply.

No.	Business Sector	2016 Negative Investment List Specific Requirements/ Limitations	2021 Negative Investment List Specific Requirements/ Limitations ⁶	2021 Negative Investment List Identified Available Tax Incentives
1.4	Gold and silver mining	N/A	N/A	<p>Available Fiscal Incentive: Tax Allowance</p> <p>Scope of Product: gold and silver ore processing and/or refining</p> <p>Requirement: New construction and/or expansion of smelters</p>
1.5	Coal Mining	N/A	N/A	<p>Available Fiscal Incentive: Tax Allowance</p> <p>Scope of Product: coal liquefaction and upgrading</p> <p>Requirement: Aceh, West Sumatera, Riau, Jambi, South Sumatera, Bengkulu, Central Kalimantan, South Kalimantan, East Kalimantan, North Kalimantan, West Papua and Papua</p>

6.2 **Metal Ore Processing & Refining:** The treatment of metal ore processing & refining, in the 2021 Negative Investment List, is set out in the following table:

TABLE 2 - METAL ORE PROCESSING & REFINING

No.	Business Sector	2016 Negative Investment List Specific Requirements/ Limitations	2021 Negative Investment List Specific Requirements/ Limitations	2021 Negative Investment List Tax Incentives
2.1	<p>Metal manufacturing industry producing:</p> <p>(a) gold ingots;</p> <p>(b) silver ingots;</p> <p>(c) platinum;</p> <p>(d) alumina (bauxite into alumina);</p> <p>(e) aluminum ingots (alumina ingots);</p> <p>(f) nickel ore using pyrometallurgy process;</p> <p>(g) nickel metal from nickel ore using hydrometallurgy process;</p> <p>(h) copper cathodes;</p> <p>(i) aluminum in the form of billets, pipes, plates or rods derived</p>	N/A	N/A	<p>Available Fiscal Incentive: Tax Holiday</p>

No.	Business Sector	2016 Negative Investment List Specific Requirements/ Limitations	2021 Negative Investment List Specific Requirements/ Limitations	2021 Negative Investment List Tax Incentives
	from raw materials other than scrap that is integrated with aluminum ingot manufacturing; (j) copper in the form of pipes, plates and sheets that is integrated with cathode manufacturing.			
2.2	Industry that produces rare earth metals	N/A	N/A	Available Fiscal Incentive: Tax Holiday

6.2 **Coal Downstreaming:** The treatment of coal downstreaming, in the 2021 Negative Investment List, is set out in the following table:

TABLE 3 - COAL DOWNSTREAMING

No.	Business Sector	2016 Negative Investment List Specific Requirements/ Limitations	2021 Negative Investment List Specific Requirements/ Limitations	2021 Negative Investment List Identified Available Tax Incentives
3.1	Coal Gasification at the Mining Site	N/A	N/A	Available Fiscal Incentive: Tax Allowance Scope of Product: coal gasification
3.2	Coal Product Industry	N/A	N/A	Available Fiscal Incentive: Tax Allowance Scope of Product: all product scopes included in KBLI 191900
3.3	Coal Briquette Industry	N/A	N/A	Available Fiscal Incentive: Tax Allowance Scope of Product: all product scopes included in KBLI 19292

6.3 **Oil & Gas:** The treatment of oil & gas, in the 2021 Negative Investment List, is set out in the following table:

TABLE 4 - OIL & GAS

No.	Business Sector	2016 Negative Investment List Specific Requirements/ Limitations	2021 Negative Investment List Specific Requirements/ Limitations	2021 Negative Investment List Identified Available Tax Incentives
4.1	Oil and gas, geologic and geophysical surveying services	Foreign capital ownership: max 49%	N/A	N/A
4.2	Onshore oil and gas drilling services	Domestic capital: 100%	N/A	N/A
4.3	Offshore oil and gas drilling services	Foreign capital ownership: max 75%	N/A	N/A
4.4	Oil and gas support services - Well operation and maintenance services	Domestic capital: 100%	N/A	N/A
4.5	Oil and gas support services - Oil and gas design and engineering services	Domestic capital: 100%	N/A	N/A
4.6	Oil and gas support services - Technical inspection services	Domestic capital: 100%	N/A	N/A

6.4 **Power Plants/Electricity Generation:** The treatment of power plants/electricity generation, in the 2021 Negative Investment List, is set out in the following table:

TABLE 5 - POWER PLANT /ELECTRICITY GENERATION

No.	Business Sector	2016 Negative Investment List Specific Requirements/ Limitations	2021 Negative Investment List Specific Requirements/ Limitations	2021 Negative Investment List Identified Available Tax Incentives
5.1	Power Plant <1MW	Domestic capital: 100%	Co-operatives and MSMEs only	Available Tax Incentive: Tax Allowance
5.2	Small-scale Power Plant (1 – 10 MW) (KBLI 35101)	Foreign capital ownership: max 49%	N/A	Available Tax Incentive: Tax Allowance Requirement: Investment value of less than IDR 100 billion
5.3	Geothermal power plant with a capacity of <= 10 MW	Foreign capital ownership: max 67%	N/A	N/A

No.	Business Sector	2016 Negative Investment List Specific Requirements/ Limitations	2021 Negative Investment List Specific Requirements/ Limitations	2021 Negative Investment List Identified Available Tax Incentives
5.4	Power Plant > 10 MW	<p>Foreign capital ownership: max 95%</p> <p>(Maximum 100% for the purpose of Public Private Partnerships during concession period)</p>	N/A	N/A
5.5	Power transmission	<p>Foreign capital ownership: max 95%</p> <p>(Maximum 100% for the purpose of Public Private Partnerships during concession period)</p>	N/A	N/A
5.6	Power distribution	<p>Foreign capital ownership: max 95%</p> <p>(Maximum 100% for the purpose of Public Private Partnerships during concession period)</p>	N/A	N/A
5.7	Power installation consultancy	<p>Foreign capital ownership: max 95%</p>	<p>Partnership with co-operatives and MSMEs</p> <p>Sector: Energy and Mineral Resources</p>	N/A

No.	Business Sector	2016 Negative Investment List Specific Requirements/ Limitations	2021 Negative Investment List Specific Requirements/ Limitations	2021 Negative Investment List Identified Available Tax Incentives
5.8	Power construction and installation - Electrical utility construction	Foreign capital ownership: max 95%	Business Sector: Electrical Civil Building Construction using simple and intermediate technologies - Other civil building construction etc. using simple and intermediate technologies - Construction of other electrical and telecommunication networks using simple and intermediate technologies Co-operatives and MSMEs only Sector: Public Works and Housing	N/A
5.9	Power construction and installation - High/extra-high voltage electrical installation	Foreign capital ownership: max 49%	N/A	N/A
5.10	Power construction and installation - Low/medium voltage electrical installation	Domestic capital: 100%	Co-operatives and MSMEs only Sector: Energy and Mineral Resources	N/A
5.11	Operation and maintenance of electrical installation	Foreign capital ownership: max 95%	N/A	N/A
5.12	Testing and analysis of electrical installation - Electrical utility construction and high/extra-high voltage electrical installation	Foreign capital ownership: max 49%	N/A	N/A
5.13	Testing and analysis of electrical installation - Low/medium voltage electrical installation	Domestic capital: 100%	Co-operatives and MSMEs only Sector: Energy and Mineral Resources	N/A

6.5 **Renewable Energy:** The treatment of renewable energy, in the 2021 Negative Investment List, is set out in the following table:

TABLE 6 - RENEWABLE ENERGY

No.	Business Sector	2016 Negative Investment List Specific Requirements/ Limitations	2021 Negative Investment List Specific Requirements/ Limitations	2021 Negative Investment List Identified Available Tax Incentives
6.1	Geothermal surveying services	Foreign capital ownership: max 95%	N/A	N/A
6.2	Geothermal drilling services	Foreign capital ownership: max 95%	N/A	Available Fiscal Incentive: Tax Allowance
6.3	Geothermal operation and maintenance Services	Foreign capital ownership: 90%	N/A	- geothermal energy exploration - geothermal energy drilling

6.6 **Construction:** The treatment of construction, in the 2021 Negative Investment List, is set out in the following table:

TABLE 7 - CONSTRUCTION

No.	Business Sector	2016 Negative Investment List Specific Requirements/Limitations	2021 Negative Investment List Specific Requirements/ Limitations ⁷	2021 Negative Investment List Identified Available Tax Incentives
7.1	Construction services (construction contractors) with simple and medium technologies and/or small and medium risks and/or work value of up to IDR 50,000,000,000	- Foreign capital ownership: max 67% - Max 70% for ASEAN investors	N/A	N/A
7.2	Business services /construction consultancy services with simple/medium technologies and/or small/medium risks and/or value less than IDR 10,000,000,000	- Foreign capital ownership: max 67% - Max 70% for ASEAN investors	N/A	N/A

⁷ Please note carefully that the 2017 Construction Law requirement, for foreign-owned construction companies to have a national construction company as a shareholder, continues to apply.

No.	Business Sector	2016 Negative Investment List Specific Requirements/Limitations	2021 Negative Investment List Specific Requirements/Limitations ⁷	2021 Negative Investment List Identified Available Tax Incentives
7.3	Oil and gas construction services - Platforms	Foreign capital ownership: max 75%	N/A	N/A
7.4	Oil and gas construction services - Spherical tanks	Foreign capital ownership: max 49%	N/A	N/A
7.5	Oil and gas construction services - Onshore oil and natural gas upstream production installations	Domestic capital: 100%	N/A	N/A
7.6	Oil and gas construction services - Onshore pipeline installations	Domestic capital: 100%	N/A	N/A
7.7	Oil and gas construction services - Offshore pipeline installations	Foreign capital ownership: max 49%	N/A	N/A
7.8	Oil and gas construction services -Horizontal/vertical tanks, onshore oil and natural gas storage and marketing installations	Domestic capital: 100%	N/A	N/A

SUMMARY & CONCLUSIONS

The 2021 Negative Investment List is, undeniably, a very material improvement on the previous 2016 Negative Investment List.

The 2021 Negative Investment List does not, however, really live up to the Government’s promise of a “Positive Investment List”. It is, in truth, just a **somewhat less negative** “Negative Investment List”. Foreign ownership limitations and other restrictions, on foreign-owned companies operating in certain industries, continue to apply if these limitations and restrictions are in existing laws and government regulations. This is particularly the case for foreign-owned mining and construction companies.

It is important to understand that the 2021 Negative Investment List is **not** the “full story” when it comes to foreign ownership limitations and other restrictions applicable to foreign-owned companies operating in Indonesia.

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