

PRESIDENTIAL DECREE  
NUMBER 75, YEAR 1995  
CONCERNING  
THE EMPLOYMENT OF EXPATRIATES

THE PRESIDENT OF THE REPUBLIC OF INDONESIA

- Considering :
- a. that the progress achieved in the realization of development, in the economic sector as well as other fields, has intensified business activities and further expand employment and job opportunities;
  - b. that in order to enable maximum absorption of Indonesian personnel, it is deemed necessary to re-stipulate provisions concerning the employment of expatriates in a presidential decree.
- In view of :
1. Article 4 paragraph (1) and Article 27 paragraph (2) of the Constitution of 1945;
  2. Law No. 3/1958 concerning the employment of foreign personnel (State Gazette of 1958 No. 8);
  3. Law No. 1/1967 concerning foreign investments (State Gazette of 1967 No 1. Additional State Gazette No. 2818) as already amended by Law No 11/1970 (State Gazette of 1970 No. 46, Additional State Gazette No 2943);
  4. Law No. 6/1968 concerning domestic investments (State Gazette of 1968 No 33, Additional State Gazette No. 2853) as already amended by Law No 12/1970 (State Gazette of 1970 No. 47, Additional State Gazette No. 2944);
  5. Law No. 14/1969 concerning the principles of manpower (State Gazette of 1969 No 55, Additional State Gazette No. 2912);
  6. Law No. 9/1992 concerning immigration affairs (State Gazette of 1992 No 33, Additional State Gazette No. 3474);
  7. Government Regulation No. 20/1994 concerning share ownership in companies set up under foreign capital investments (State Gazette of 1994 No 28, Additional State Gazette No. 3552);
  8. Government Regulation No. 32/1994 concerning visas, entry permits and immigration licenses (State Gazette of 1994 No. 55, Additional State Gazette No. 3563).

H A S D E C I D E D :

To stipulate : PRESIDENTIAL DECREE CONCERNING THE EMPLOYMENT OF EXPATRIATES

Article 1

Hereinafter referred to as:

1. Expatriates shall be foreign citizens possessing limited residence visas or limited residence permits or fixed residence permits for the purpose of working in the territory of the Republic of Indonesia.
2. Employers of expatriates shall be individual enterprises or business units or statutory bodies set up under the Indonesian law and domiciled in Indonesia which undertake business activities to produce goods and/or services on a profit or non-profit basis and possess licenses for employment of expatriates.
3. Indonesian personnel shall be corporate personnel who are Indonesian citizens

Article 2

1. Employers of expatriates shall give priority to the employment of Indonesian personnel in all fields and types of jobs available.
2. If the fields and types of jobs available can not yet or not yet fully be handled by Indonesian personnel, employers of expatriates shall be allowed to employ expatriates until certain time limits.

Article 3

1. Posts of executive director and director in capital investment companies which are wholly or partly owned by foreign citizens and/or foreign statutory bodies, or in capital investment companies which are wholly owned by Indonesian citizens and/or Indonesian statutory bodies shall be open to expatriates.
2. The post of director as meant in paragraph 1 shall not apply to capital investment companies which are wholly owned by Indonesian citizens.
3. Owners of capital investment companies which are wholly owned by foreign citizens and/or foreign statutory bodies can appoint expatriates as executive directors and directors of their companies.
4. In capital investment companies which have the status of joint ventures between foreign capital and capital of Indonesian citizens and/or Indonesian statutory bodies, or capital investment companies which are wholly owned by Indonesian

citizens and/or Indonesian statutory' bodies, the appointment of executive directors and directors shall be according to consensus between relevant parties.

#### Article 4

1. The post of executive director in companies which are not set up under capital investment laws shall be open to expatriates.
2. The post of director in companies as meant in paragraph 1 shall only be open to Indonesian personnel.

#### Article 5

Especially for the post of executive director concerned with personnel affairs, the companies as meant in Article 3 and Article 4 shall employ Indonesian personnel.

#### Article 6

1. The list of fields and types of jobs below the post of executive director which are closed and open to expatriates for certain time limits shall be further stipulated by the Minister of Manpower by considering the views of relevant Ministers.
2. The list as meant in paragraph 1 shall be subject to review within a maximum period of 3 (three) years.

#### Article 7

1. Employers of expatriates shall possess plans for employment of expatriates including executive directors/directors, which are validated by the Minister of Manpower or authorized officials
2. Licenses for employment of expatriates shall be granted by the Minister of Manpower or authorized officials.
3. The expatriates as meant in Article 2 paragraph 2 and the executive directors/directors as meant in Article 4 shall possess expatriate working permits issued by the Minister of Manpower or authorized officials.
4. Procedures for obtaining validation of the plans for employment of expatriates, licenses for employment of expatriates and expatriate working permits as meant in paragraph 1, 2 and 3 shall be further stipulated by the Minister of Manpower by considering the views of relevant Ministers.

Article 8

1. Employers of expatriates shall carry out programs for replacement of expatriates with Indonesian personnel.
2. For the implementation of the programs as meant in paragraph 1, employers of expatriates shall
  - a. appoint Indonesian personnel as associate personnel in the types of jobs handled by expatriates.
  - b. provide education and training for Indonesian personnel employed, arranged by themselves or third parties.
3. the associate personnel as meant in paragraph 2 point a shall be clearly mentioned in the plans for employment of expatriates as meant in Article 7 paragraph 1 and in structures of corporate positions.
4. Costs for the arrangement of education and training as meant in paragraph 2 point b shall be borne by employers of expatriates and shall not be further charged to Indonesian personnel.

Article 9

Employers of expatriates shall report the implementation of programs as meant in Article 8 paragraph 2 to the Minister of Manpower.

Article 10

1. Employers of expatriates shall be subject to levies on all expatriates employed.
2. The as meant in paragraph 1 shall be used to relieve the costs for education/training of Indonesian personnel as stipulated by the Minister of Manpower.
3. The amount of levies shall be determined by the Minister of Manpower by considering the views of the Minister of Finance.

Article 11

With the imposition of levies as meant in Article 10, employers of expatriates shall no longer be subject to other levies connected with the employment of expatriates.

Article 12

1. Employers of expatriates failing to abide by the provisions in this presidential decree and its implementation rules shall be liable to revocation of decree on validation of plans for employment of expatriates and/or licenses for employment of expatriates.
2. Expatriates failing to abide by the provisions in this presidential decree and its implementation rules shall be liable to revocation of expatriate working permits.

Article 13

Further provisions required for the implementation of this presidential decree shall be stipulated by the Minister of Manpower by considering the views of relevant Ministers.

Article 14

1. With the enforcement of this presidential decree, Presidential Decree No. 23/1974 concerning the restriction of employment of expatriates shall be declared null and void.
2. All implementation rules of Presidential Decree No. 23/1974 shall remain valid as long as they are not opposed to and or not yet stipulated on the basis of this presidential decree.

Article 15

This presidential decree shall come into force as from the date of stipulation.

Stipulated in Jakarta  
On November 9, 1995  
THE PRESIDENT OF THE REPUBLIC OF INDONESIA

Signed

SOEHARTO