MENTERI KETENAGAKERJAAN
REPUBLIK INDONESIA

REGULATION OF THE MINISTER OF MANPOWER OF
THE REPUBLIC OF INDONESIA
NUMBER 11 OF 2019
ON
SECOND AMENDMENT TO REGULATION OF THE MINISTER OF MANPOWER AND TRANSMIGRATION NUMBER 19 OF 2012 ON TERMS FOR CONTRACTING PARTIAL WORK TO OTHER COMPANIES

BY THE BLESSINGS OF ALMIGHTY GOD
MINISTER OF MANPOWER OF THE REPUBLIC OF INDONESIA,

Considering : a. that workers/labourers in worker/labourer supply companies are obligated to be given protection;

b. that in order to facilitate licensing services, it is necessary to reorganize the provisions regarding the requirements and procedures to apply for a license for workers/labourers supply;

c. that Regulation of the Minister of Manpower and Transmigration Number 19 of 2012 on Terms for Contracting Partial Work to Other Companies as amended by Regulation of the Minister of Manpower Number 27 of 2014 on Amendment to the Regulation of the Minister of Manpower and Transmigration Number 19 of 2012 on Terms for Contracting Partial Work to Other Companies is no longer in accordance with the development of the current conditions and needs of the public;

d. that based on considerations as referred to in point a, point b, and point c, it is necessary to issue a Regulation of the Minister of Manpower on Second Amendment to Regulation of the Minister of Manpower and

Transmigration Number 19 of 2012 on Terms for Contracting Partial Work to Other Companies;

Observing : 1. Law Number 13 of 2003 on Manpower (State Gazette of the Republic of Indonesia of 2003 Number 39, Supplement to the State Gazette of the Republic of Indonesia Number 4279);

2. Government Regulation Number 24 of 2018 on Electronic Business Licensing Services (State Gazette of the Republic of Indonesia of 2018 Number 90, Supplement to the State Gazette of the Republic of Indonesia Number 6215);
3. Presidential Regulation Number 18 of 2015 on Ministry of Manpower (State Gazette of the Republic of Indonesia of 2015 Number 19);
4. Regulation of the Minister of Manpower and Transmigration Number 19 of 2012 on Terms for Contracting Partial Work to Other Companies (State Bulletin of the Republic of Indonesia of 2012 Number 1138) as amended by Regulation of the Minister of Manpower Number 27 of 2014 on Amendment to the Regulation of the Minister of Manpower and Transmigration Number 19 of 2012 Terms For Contracting Partial Work to Other Companies (State Gazette of the Republic of Indonesia of 2014 Number 2098);
5. Regulation of the Minister of Manpower Number 8 of 2015 on Procedures for Preparing Draft Law, Draft Government Regulation, and Draft Presidential Regulation as well as Draft Ministerial Regulation Making in the Ministry of Manpower (State Bulletin of the Republic of Indonesia of 2015 Number 411);
6. Regulation of the Minister of Manpower Number 13 of 2015 on Organization and Work Procedure of the Ministry of Manpower (State Bulletin of the Republic of Indonesia of 2015 Number 622) as amended by Regulation of the Minister of Manpower Number 8 of 2018 on Amendment to the Regulation of the Minister of Manpower Number 13

of 2015 on Organization and Work Procedures of the Ministry of Manpower (State Bulletin of the Republic of Indonesia of 2018 Number 750);

HAS DECIDED:

To issue : REGULATION OF THE MINISTER OF MANPOWER ON SECOND AMENDMENT TO REGULATION OF THE MINISTER OF MANPOWER AND TRANSMIGRATION NUMBER 19 OF 2012 ON TERMS FOR CONTRACTING PARTIAL WORK TO OTHER COMPANIES

Article I

Several provisions in Regulation of the Minister of Manpower and Transmigration Number 19 of 2012 on Terms for Contracting Partial Work to Other Companies (State Bulletin of the Republic of Indonesia of 2012 Number 1138) as amended by Regulation of the Minister of Manpower Number 27 of 2014 on Amendment to the Regulation of the Minister of Manpower and Transmigration Number 19 of 2012 on Terms for Contracting Partial Work to Other Companies (State Bulletin of the Republic of Indonesia of 2014 Number 2098), are amended as follows:

1. The provisions of Article 1 are amended so that it reads as follows:

Article 1

In this Ministerial Regulation:

1. Employer Company means a company that contracts partial work to the contractor company or a worker/labourer supply company.
2. Contractor company means a company in the form of a legal entity that meets the terms to accept the partial work from the employer company.
3. Worker/Labourer Supply Company means a company that meets the terms to carry out supporting services for the employer company.

4. Job Contracting Agreement means an agreement between the Employer Company and the Contractor Company retaining the rights and obligations of the parties.
5. Worker/labourer supply agreement means an agreement between the Employer Company and worker/labourer Supply Company retaining the rights and obligations of the parties.
5a. Deleted
6. Worker/labourer means any person who works at a contractor company or worker/labourer supply company that receives wages or other forms of compensation.
7. Employment Contract means an agreement between a Contractor Company or a Worker/Labourer Supply Company and Workers/Labourers at the contractor company or the Worker/Labourer Supply Company retaining the rights and obligations of each party.
7a. Electronic Integrated Business Licensing or Online Single Submission, hereinafter abbreviated as OSS, is a business license issued by the OSS management and Organization Institution for and on behalf of the Minister.
7b. OSS Management and Organization Institution, hereinafter referred to as OSS Institution means a non-ministerial government institution administering government affairs in the field of investment coordination.
8. Minister means minister administering government affairs in the field of manpower.

2. The provisions of Article 19 are added by 1 (one) point, namely point d, so that it reads as follows:

Article 19

The Worker/Labourer Supply Agreement as referred to in Article 17 section (1) at least contains:

a. type of work that will be carried out by the Worker/Labourer of the Worker/Labourer Supply Company;
b. a confirmation that the Worker/Labourer Supply Company is willing to accept the Workers/Labour from the previous Worker/Labour Supply Company for the type of work that continues to exist in the Employer Company in the event of a replacement of the Worker/Labourer Supply Company;
c. an employment relations between the Worker/Labourer Service Supply Company and the Workers/Labourers that it employs based the employment contract for indefinite period or an employment contract for definite period of time; and
d. the obligation to fulfill the rights of Workers/Labourers in accordance with the provisions of the legislation.

3. The provisions of Article 20 are amended so that it reads as follows:

Article 20

(1) Worker/Labourer Supply Agreement must be registered by the Worker/Labourer Supply Company at the institutions responsible in the field of manpower in regency/municipality where the work is carried out.
(2) Registration of a Worker/Labourer Supply Agreement is made by submitting a registration application and attaching a business license to Worker/Labourer supply.
(3) Registration of the Worker/Labourer Supply Agreement as referred to in section (1) is free of charge.

4. The provisions of Article 21 are amended so that it reads as follows:

Article 21

(1) In the event that the Worker/Labourer Supply Agreement meets the provisions as referred to in Article 19 and Article 20 section (2), institution responsible in the field of manpower in the regency/municipality where the work is carried out issues a proof of registration not later than 3 (three) work days since the application files for the registration of the Worker/Labourer Supply Agreement is received completely.

(2) In the event that the Worker/Labourer Supply Agreement is not in accordance with the provisions as referred to in Article 19 and Article 20 section (2), the institution responsible in the field of manpower in the regency/municipality rejects the application for registration by stating the reasons for rejection.

(3) Upon a rejected application for registration as referred to in section (2), Worker/Labourer Supply Company may re-submit the application for registration.

5. The provisions of Article 23 are amended so that it reads as follows:

Article 23

(1) A Worker/Labourer Supply Company that has not received proof of registration and continues to carry out work is subject to administrative sanctions.

(2) In the event that a Worker/Labourer Supply Company is subject to administrative sanctions as referred to in section (1), compliance with Workers/Laborers' rights remains the responsibility of the relevant Worker/Labourer Supply Company.

6. Between Article 23 and Article 24, 3 (three) articles are inserted, namely Article 23A, Article 23B, and Article 23C so that it reads as follows:

Article 23A

(1) The administrative sanctions as referred to in Article 23 section (1) are in the forms of:
   a. written warning; and
   b. freezing of business activities.

(2) The administrative sanctions in the form of a written warning as referred to in section (1) point a are imposed by the institution responsible in the field of manpower in province.

(3) The administrative sanctions in the form of freezing of business activities as referred to in section (1) point b are imposed by the Minister.

Article 23B

(1) Written warning sanctions are imposed 2 (two) times each for a period of 3 (three) work days from the receipt of a written warning from the institution responsible in the field of manpower in province.

(2) The sanctions as referred to in section (1) are imposed by the institution responsible in the field of manpower in province based on:
   a. recommendations from institution responsible in the field of manpower in regency/municipality; or
   b. follow-up results of labour inspection.

(3) The institution responsible in the field of manpower in province imposes the first written reprimand sanction, not later than 3 (three) work days from the receipt of the recommendation or follow-up as referred to in section (2).

(4) In the event that the period of imposing sanction of the first written warning has expired and the company does not fulfill its obligations, the institution responsible in the field of manpower in province imposes administrative sanctions in the form of a second written warning.

(5) Worker/labourer Supply Company which does not carry out their obligations after the second written warning is subject to sanctions in the form of freezing of business activities.

Article 23C

(1) Freezing of business activities is an administrative sanction to stop work at a certain time in the area where violations occur.

(2) The freezing of business activities is imposed by the Minister based on recommendations from the institution responsible in the field of manpower in province.

(3) Minister submits the imposition of sanction of the freezing of business activities to the Worker/Labourer Supply Company through OSS Institution.

(4) The sanction of the freezing of business activities as referred to in section (1) is valid until the fulfillment of the obligation to register.

7. The provisions of Article 24 are amended so that it reads as follows:

Article 24

(1) Every Worker/Labourer Supply Company is obligated to have a business license to Worker/Labourer supply.

(2) In order to obtain a business license, a Worker/Labourer Supply Company submits an application to the OSS Institution and meets the following requirements:

a. is a business entity in the form of legal entity and established in accordance with the provisions of the legislation and is engaged in the business of Worker/Labourer supply; and

b. has a Business Identification Number issued by the OSS Institution.

(3) Application for a business license as referred to in section (2) is made through the OSS system in accordance with the provisions of the legislation.

(4) In the event of a change in business license data, the Worker/Labourer Supply Company submits these changes to the OSS Institution through the OSS system.

8. The provisions of Article 25 are amended so that it reads as follows:

Article 25

(1) The business license for Worker/Labourer supply as referred to in Article 24 is issued by the OSS Institution for and on behalf of the Minister.

(2) Business license as referred to in section (1) are applicable to all regions of Indonesia.

(3) The business license as referred to in section (2) is valid as long as the Worker/Labourer Supply Company operates the business.

9. The provisions of Article 25A are deleted.

10. The provisions of Article 26 are deleted.

11. The provisions of Article 27 are amended so that it reads as follows:

Article 27

(1) Every Worker/Labourer Supply Company is obligated to make an employment contract in writing both a employment contract for indefinite period and/or an employment contract for definite period of time with the Worker/Labourer.

(2) The employment contract as referred to in section (1) must be recorded at the institution responsible in the field of manpower in regency/municipality where the work is carried out.

(3) The institution responsible in the field of manpower in regency/municipality issues the evidence of recording not later than 3 (three) work days after the complete application for recording is received.

(4) The recording of the Employment Contract as referred to in section (3) is free of charge.

12. Between Article 34 and Article 35, 1 (one) article is inserted, namely Article 34A, so that it reads as follows:

Article 34A

(1) At the time this Ministerial Regulation comes into force:

a. business licenses or operational licenses already owned by Worker/Labourer Supply Companies remain in effect until the expiry of the business licenses and/or operating licenses; and

b. the business license that has been submitted by the Worker/Labourer Supply Company before this Ministerial Regulation comes into force and whose business license has not been issued, is processed through the OSS system.

(2) Business licenses and/or operational licenses already owned by supply companies as referred to in section (1) point a are registered to the OSS system by the Worker/Labourer Supply Company.

13. The provisions of Article 35 are amended so that it reads as follows:

Article 35

At the time this Ministerial Regulation comes into force, Regulation of the Minister of Manpower Number 6 of 2015 on Standard Operational Procedures for Issuance of Business License for Worker/Labourer Supply in One-Stop Integrated Services at the Investment Coordinating Board (State Bulletin of the Republic of Indonesia of 2015 Number 123), is repealed and declared ineffective.

Article II

This Ministerial Regulation comes into force on the date of its promulgation.

In order that every person may know hereof, it is ordered to promulgate this Ministerial Regulation by its placement in the State Bulletin of the Republic of Indonesia.

Issued in Jakarta
on 1 August 2019

MINISTER OF MANPOWER
OF THE REPUBLIC OF INDONESIA,

signed

M. HANIF DHAKIRI

Promulgated in Jakarta
on 5 August 2019

DIRECTOR GENERAL OF LEGISLATION
OF MINISTRY OF LAW AND HUMAN RIGHTS
OF THE REPUBLIC OF INDONESIA,

signed

WIDODO EKATJAHJANA

STATE BULLETIN OF THE REPUBLIC OF INDONESIA OF 2019 NUMBER 869

Jakarta, 25 February 2020
Has been translated as an Official Translation
on behalf of Minister of Law and Human Rights
of the Republic of Indonesia
DIRECTOR GENERAL OF LEGISLATION,

DIREKTUR JENDERAL PERATURAN PERUNDANGAN KEMENTERIAN HUKUM DAN HAK ASASI MANUSIA RI PENGAYOMAN

WIDODO EKATJAHJANA