PRESIDEN
REPUBLIK INDONESIA

PRESIDENTIAL REGULATION OF THE REPUBLIC OF INDONESIA
NUMBER 20 OF 2018
ON
FOREIGN WORKERS UTILIZATION

BY THE BLESSINGS OF ALMIGHTY GOD

THE PRESIDENT OF THE REPUBLIC OF INDONESIA,

Considering :

a. that in order to support national economy and the expansion of employment opportunities through increased investment, it is necessary to re-regulate the licensing of the foreign workers utilization;
b. that the licensing arrangements for the foreign workers utilization has been regulated in Presidential Regulation Number 72 of 2014 on Foreign Workers Utilization and Implementation of Education and Training of Associate for Foreign Worker, it is necessary to be adjusted to the need development for increased investment;
c. that based on the considerations as referred to in point a and point b, it is necessary to issue a Presidential Regulation on Foreign Workers Utilization;

Observing :

1. Article 4 section (1) of the 1945 Constitution of the Republic of Indonesia;
2. Law Number 3 of 1951 on Statement of Enactment of Law on Labour Inspection Number 23 of 1948 from the Republic of Indonesia for All Indonesia (State Gazette of the Republic of Indonesia of 1951 Number 4);

3. Law Number 13 of 2003 on Manpower (State Gazette of the Republic of Indonesia Number 39 of 2003, Supplement to the State Gazette of the Republic of Indonesia Number 4279);
4. Law Number 25 of 2007 on Capital Investment (State Gazette of the Republic of Indonesia Number 67 of 2007, Supplement to the State Gazette of the Republic of Indonesia Number 4724);
5. Law Number 6 of 2011 on Immigration (State Gazette of the Republic of Indonesia Number 52, Supplement to the State Gazette of the Republic of Indonesia Number 5216);
6. Presidential Regulation Number 91 of 2017 on Acceleration of Business Implementation (State Gazette of the Republic of Indonesia of 2017 Number 210);

HAS DECIDED:

To issue : PRESIDENTIAL REGULATION ON FOREIGN WORKERS UTILIZATION.

CHAPTER I
GENERAL PROVISIONS

Article 1

In this Presidential Regulation:

1. Foreign Worker (*Tenaga Kerja Asing)*, hereinafter referred to as TKA, means a foreign citizen holding visa with the intention of working in the territory of Indonesia.
2. Associate for Foreign Worker means an Indonesian worker appointed and prepared as an assistant in the framework of technology transfer and transfer of expertise.
3. Employer of Foreign Worker, hereinafter referred to as Employer of TKA, means a legal entity or other that employs foreign workers by paying wages or other forms of compensation.
4. Foreign Workers Utilization Plan (*Rencana Penggunaan Tenaga Kerja Asing)*, hereinafter referred to as RPTKA, means a plan for the use of foreign workers in certain

positions made by Employer of TKA for a certain period endorsed by the minister in charge of government affairs in the field of manpower or appointed officials.

5. Limited Stay Visa (*Visa Tinggal Terbatas*), hereinafter referred to as Vitas, means a written statement given by an authorized official at a Representative Office of the Republic of Indonesia or other places set up by the Government of the Republic of Indonesia containing an approval for a Foreigner to travel into the Territory of Indonesia and being a basis for granting Limited Stay Permit in order to work.
6. Limited Stay Permit (*Izin Tinggal Terbatas*), hereinafter referred to as Itas, means a permit granted to a particular foreigner to have domicile and reside in the Territory of Indonesia within a certain period to work.
7. Immigration Checkpoint means checkpoints at seaports, airports, border-crossing checkpoints or other points of entry and exit in Indonesian Territory.
8. Labour Inspection Officer, hereinafter referred to as Labour Inspector, means the Civil Servant appointed and assigned in the functional position of Labour Inspection in accordance with the provisions of legislation.
9. Minister means the minister administering the government affairs in the field of manpower.

CHAPTER II
FOREIGN WORKERS UTILIZATION

Article 2

(1) TKA utilization is conducted by the Employer of TKA in the employment relations for certain positions and at certain times.

(2) TKA utilization as referred to in section (1) is conducted with due regard to domestic labour market conditions.

Article 3

The Employer of TKA as referred to in Article 2 covers:

a. government institutions, representatives of foreign countries, international agencies, and international organizations;
b. representative offices of foreign trade, representative offices of foreign companies, and foreign news offices conducting activities in Indonesia;
c. foreign private companies conducting business in Indonesia;
d. legal entities established under Indonesian law in the form of a Limited Liability Company or Foundation, or a foreign business entities registered in the authorized institution;
e. social, religious, educational, and cultural institutions;
f. impresario service business; and
g. business entities as long as not prohibited by the Law.

Article 4

(1) Every Employer of TKA is obligated to prioritize the Indonesian workers utilization in all types of positions available.
(2) In the event that the position as referred to in section (1) has not been able to be occupied by Indonesian workers, the position may be occupied by TKA.

Article 5

(1) TKA is prohibited from occupying a position in charge of personnel affairs and/or certain position.
(2) A certain position as referred to in section (1) is determined by the Minister.
(3) In the event that the ministry/institution requires qualification and competence, or prohibits TKA for certain positions, the minister/head of institution submits such requirement or prohibition to the Minister to be determined.

Article 6

(1) The Employer of TKA in certain sectors may employ TKA who already being employed by other Employers of TKA within the same position.

(2) TKA as referred to in section (1) is employed at the latest until the expiry of the work period as the work contract with the first Employer.

(3) The types of occupations, sectors, and procedures of TKA utilization as referred to in section (1) and section (2) are further regulated by a Ministerial Regulation.

Article 7

(1) Every Employer of TKA who utilizes TKA must have RPTKA endorsed by the Minister or appointed official.

(2) RPTKA as referred to in section (1) at least contains:
   a. reasons for the TKA utilization;
   b. position and/or occupation of TKA in the organizational structure of the company concerned;
   c. period of TKA utilization; and
   d. appointment of Indonesian workers as associate for TKA.

(3) To obtain endorsement of RPTKA as referred to in section (1), the Employer of TKA submits an application to the Minister or appointed official.

(4) The application of the endorsement of RPTKA as referred to in section (3) is submitted by the Employer of TKA by enclosing:
   a. business license from the authorized institution;
   b. deeds and decision of the endorsement of establishment and/or amendment from the authorized institution;
   c. the organizational structure chart of the company;
   d. statement letter for the appointment of Associate for Foreign Worker and the implementation of education and job training; and
   e. statement letter to carry out education and job training for Indonesian workers in accordance with position qualification occupied by TKA.

(5) In addition to the information as referred to in section (2), RPTKA may include plans for the TKA utilization for temporary employment with a maximum period of 6 (six)

months, such as work to audit, production quality control, inspection at branch companies in Indonesia, and work related to machinery installation or maintenance.

Article 8

RPTKA endorsement is granted by the Minister or appointed official not later than 2 (two) days after receipt of the complete application.

Article 9

RPTKA endorsement as referred to in Article 8 is a license to employ foreign workers.

Article 10

(1) Employers of TKA are not obligated to have RPTKA to employ TKA as follows:
   a. shareholder as a member of the Board of Directors or a member of the Board of Commissioners of the Employer of TKA;
   b. diplomatic and consular officers at representative offices of foreign countries; or
   c. TKA on the type of work required by the government.

(2) The type of work required by the government as referred to in section (1) point c is stipulated by the Minister.

Article 11

(1) RPTKA which has been endorsed as referred to in Article 8 applies in accordance with the planned period of TKA utilization by the Employer of TKA.

(2) RPTKA as referred to in section (1) is amended as long as there are changes concerning:
   a. the address of Employer of TKA;
   b. the name of Employer of TKA;
   c. the position that will be occupied by TKA;
   d. the need of TKA utilization for temporary employment and not listed in RPTKA as referred to in Article 7 section (5);

e. the period of TKA utilization;
f. the number of TKA exceeding the total number of TKA in the initial RPTKA; and/or
g. the appointment of Indonesian workers as associate for TKA employed.

(3) The Employers of TKA submit changes to RPTKA as referred to in section (2) to the Minister or appointed official.

(4) The changes of RPTKA as referred to in section (2) are required to be approved by the Minister or appointed official.

Article 12

The change of RPTKA is endorsed by the Minister or appointed official within 2 (two) days since the application is received completely.

Article 13

(1) For emergency and urgent work, the Employers of TKA may employ TKA by applying for RPTKA endorsement to the Minister or appointed official not later than 2 (two) work days after the TKA is working.

(2) RPTKA endorsement as referred to in section (1) is issued by the Minister or appointed official, not later than 1 (one) work day after the application letter is received completely.

Article 14

(1) Employer of TKA who will employ TKA, submits the data of TKA candidates to the Minister or appointed official.

(2) Data of TKA candidates as referred to in section (1) include:
a. name, sex, place and date of birth;
b. citizenship, passport number, validity of passport, and place of passport issued;
c. job title and working period;
d. statement of guarantee from the TKA Employer; and
e. education certificate and certificate of work experience or certificate of competence in accordance with the terms of occupation to be occupied by TKA.

(3) The Minister or the appointed official submits the notification of receipt of data of the TKA candidates as referred to in section (1) to the Employer of TKA not later than 2 (two) work days with copy to the Directorate General of Immigration.

Article 15

(1) Employer of TKA is obligated to pay the compensation fund for TKA utilization of every TKA employed after receiving notification.
(2) The payment of the compensation fund for TKA utilization as referred to in section (1) is conducted through banks appointed by the Minister.
(3) The compensation fund for TKA utilization paid by Employer of TKA is a Non-Tax State Revenue.

Article 16

(1) Government institutions, representatives of foreign countries, and international agencies employing foreign workers are not obligated to have RPTKA and pay compensation fund for TKA utilization.
(2) The TKA utilization in social institutions, religious institutions and the TKA utilization in certain positions in educational institutions are not obligated to pay compensation fund for TKA utilization.
(3) Provisions regarding certain positions in educational institutions as referred to in section (2) are determined by a Ministerial Decree.

Article 17

(1) Every TKA in Indonesia is obligated to have Vitas to work.
(2) Vitas as referred to in section (1) is requested by the Employer of TKA or TKA itself to the minister in charge of government affairs in the field of law and human rights or appointed immigration officer.
(3) The appointed immigration officer as referred to in section (2) includes an immigration officer residing at the Representative Office of the Republic of Indonesia abroad.

Article 18

The Vitas request as referred to in Article 17 section (2) is filed by attaching the notification and proof of payment.

Article 19

The immigration officer at the Representative Office of the Republic of Indonesia abroad grants a Vitas not later than 2 (two) days since the request is received completely.

Article 20

(1) The Vitas request as referred to in Article 17 section (2) simultaneously may be made as an Itas request.
(2) In the event that the Itas request is done simultaneously with the Vitas request as referred to in section (1), the process of submission of Itas is conducted by the Representative Office of the Republic of Indonesia abroad which is an extension of the Directorate General of Immigration.

Article 21

(1) The granting of Itas is conducted at the Immigration Checkpoint.
(2) Itas as referred to in section (1) is a stay permit to work for TKA.
(3) The stay permit to work for TKA for the first time granted for a maximum of 2 (two) years and extendable in accordance with the legislation.
(4) The granting of Itas for TKA as referred to in section (1) also is accompanied by the granting of a Re-entry Permit for several trips of its validity period in accordance with the validity period of Itas.

Article 22

In doing emergency and urgent work, TKA may use the type of visa and stay permit designated for such activities as regulated in legislation.

Article 23

The requests of Vitas to work and Itas for TKA are subject to Non-Tax State Revenue for ministry in charge of government affairs in the field of law and human rights in accordance with the provisions of legislation.

Article 24

(1) The Compensation Fund for TKA Utilization is paid annually in accordance with the period of TKA working in the territory of Indonesia.

(2) In the event of the TKA utilization more than 1 (one) year, the payment of the compensation fund for the second and subsequent years as referred to in section (1) becomes:
   a. non-tax state revenue, in the event that TKA works in locations of more than 1 (one) province;
   b. province revenue, in the event that TKA works in locations of more than 1 (one) regency/municipality within 1 (one) province; and
   c. regency/municipal revenue, in the event that TKA works in locations within 1 (one) regency/municipality.

Article 25

Every Employer of TKA is obligated to ensure that the TKA is registered in the Employment Social Security for TKA who works more than 6 (six) months and/or insurance policy in the Indonesian legal entity insurance.

CHAPTER III

IMPLEMENTATION OF EDUCATION AND TRAINING

Article 26

(1) Every Employer of TKA is obligated to:
   a. appoint Indonesian worker as an Associate for Foreign Worker;
   b. implement education and training for Indonesian workers in accordance with job qualifications occupied by TKA; and

c. facilitate Indonesian language education and training for TKA.

(2) The provisions as referred to in section (1) point a, are not apply to TKA who occupies the positions of board of directors and/or board of commissioners.

Article 27

The appointment of Indonesian worker as Associate for Foreign Worker as referred to in Article 26 section (1) point a is implemented to transfer technology and expertise.

Article 28

(1) Education and training as referred to in Article 26 section (1) point b may be implemented in the country and/or abroad.

(2) Implementation of education and training in the country as referred to in section (1) is conducted in accordance with the legislation.

Article 29

Associate for Foreign Worker who participates in training and education receives training and/or competency certificates in accordance with the legislation.

CHAPTER IV
REPORTING

Article 30

(1) The Employers of TKA are obligated to report the implementation of TKA Utilization every 1 (one) year to the Minister.

(2) The report as referred to in section (1), includes:
a. implementation of the TKA Utilization; and
b. implementation of education and training of Associate for Foreign Worker.

(3) In the event that the employment contract of TKA will expire or will be terminated prior to the term of work contract, the Employer of TKA is obligated to report to the Minister and

Head of the Immigration Office at the location of the residence of the TKA.

Article 31

The Minister or appointed official must convey data of TKA who is employed by the Employer of TKA to the government working unit in field of manpower in province/regency/municipality in accordance with the work location of TKA.

CHAPTER V
DEVELOPMENT AND SUPERVISION

Article 32

Development to the Employer of TKA in the TKA utilization and the implementation of education and training is conducted by ministry in charge of manpower affairs and offices in charge of manpower in provinces and regencies/municipalities in accordance with their authority.

Article 33

(1) Supervision over the TKA Utilization is implemented by:
   a. Labour Inspector at the ministry and provincial agencies in the field of manpower affairs; and
   b. Immigration officers who are in charge of immigration supervision and enforcement,

   in coordination with the scope of respective duty and authority.
(2) The Labour Inspector as referred to in section (1) point a conducts supervision to the norms of the TKA utilization in accordance with the legislation.
(3) Education and training supervisions of the Associate for Foreign Worker are conducted by the Labour Inspector at the ministry and provincial agencies in the field of manpower affairs jointly or individually in accordance with the scope of their respective duties and authorities.

CHAPTER VI
SANCTIONS

Article 34

(1) Employers of TKA who violate the terms of TKA Utilization, the implementation of education and training of Associate for Foreign Worker, and reporting are subject to sanctions in accordance with legislation in the field of manpower.

(2) Employer of TKA who gives false information in the statement of guarantee or does not fulfill the guarantee and TKA who violates immigration stay permit provisions is subject to sanctions in accordance with legislation in the field of immigration.

CHAPTER VII
FINANCING

Article 35

All costs required for the implementation of this Presidential Regulation are imposed on the State Budget, Provincial Budget, as well as other legitimate sources of funding in accordance with the legislation.

CHAPTER VIII
MISCELLANEOUS PROVISIONS

Article 36

(1) The process of TKA Utilization and the Implementation of Education and Training of Associate for Foreign Worker as regulated in this Presidential Regulation is done using data sharing and integrated online.

(2) The use of data sharing and integrated online is done in stages.

(3) In the event that Representative Office of the Republic of Indonesia abroad does not have an online system, Vitas approval by the minister in charge of government affairs in the field of law and human rights or immigration officials is provided through electronic mail telecommunications.

CHAPTER IX
TRANSITIONAL PROVISIONS

Article 37

At the time this Presidential Regulation comes into force:

a. RPTKA and license that have been owned by the Employer of TKA and issued by the Government before this Presidential Regulation comes into force, are declared to remain effective until its expiry; and
b. The application of RPTKA and license which has been filed before this Presidential Regulation comes into force, is settled in accordance with the provisions regulated in this Presidential Regulation.

CHAPTER X
CLOSING PROVISIONS

Article 38

At the time this Presidential Regulation comes into force:

a. Presidential Regulation Number 72 of 2014 on Foreign Workers Utilization and Implementation of Education and Training of Associate for Foreign Worker (State Gazette of the Republic of Indonesia of 2014 Number 162), is repealed and declared ineffective; and
b. all legislation as the implementation of the Presidential Regulation Number 72 of 2014 on Foreign Workers Utilization and Implementation of Education and Training of Associate for Foreign Worker, remain in effect insofar not contrary to this Presidential Regulation.

Article 39

This Presidential Regulation comes into force after 3 (three) months as from the date of its promulgation.

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

Issued in Jakarta,
on 26 March 2018

THE PRESIDENT OF
THE REPUBLIC OF INDONESIA,

signed

JOKO WIDODO

Promulgated in Jakarta,
on 29 March 2018

MINISTER OF LAW AND HUMAN RIGHTS
OF THE REPUBLIC OF INDONESIA,

signed

YASONNA H. LAOLY

STATE GAZETTE OF THE REPUBLIC OF INDONESIA OF 2018 NUMBER 39

Jakarta, 3 October 2018
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,



WIDODO EKATJAHJANA