



**The Firm**

Leks&Co are law offices specialized in the real estate law, filled by young, energetic, creative lawyers, providing premium legal services with competitive price plus 7 amazing added values, and delivering our services based on definite core values.

Leks&Co currently manages three blogs i.e. HukumProperti.com, IndonesiaRealEstateLaw, and IndonesiaCompanyLaw. Leks&Co is also active in social media through Facebook, Twitter, LinkedIn. Leks&Co actively writes law articles for the benefit of its clients and the community through its websites and other channels.

Leks&Co is appointed as recommended firm by Global Law Experts and Corporate INTL. Our Managing Partner, Eddy Leks, is also appointed as recommended attorney by Global Law Experts in the field of real estate law in Indonesia.

**ISO 9001:2008**



Leks&Co is certified of ISO 9001:2008 on Quality Management

**Award**



Dear {FIRST\_NAME},

This is the Leks Newsletter of May 2011. On this issue, you will see legal update and our blogs update. We hope that our newsletter is useful for you.

**Leks News**

- We would like to announce that we have launched our new blogs on Mining and Investment Law. Our blogs can be accessed through <http://www.indonesiamininglaw.com/> and <http://www.indonesiaforeigninvestmentlaw.com>. We hope our new blogs may provide useful information on Mining and Investment Law in Indonesia to all readers.
- Our Managing Partner, Mr. Eddy Marek Leks has completed the course of Introduction Commercial Dispute Resolution conducted by Chartered Institute of Arbitrators (CI Arb) in cooperation with Robert Gordon University.

**Leks Legal Update**

**Indonesia Capital Market Law**

**Background**

Capital market in Indonesia is highly developing. Many new companies join into the stock market in order to expand more, to repay its debt, to produce new product and/or services. At this moment, in June 2011, the Jakarta composite index has already exceeded 3,500.



Capital market law is governed under the Law Number 8 of 1995 on Capital Market (“Capital Market Law”). Capital Market Law is 16 years old. Four years ago, in 2007, the new company law was issued under Law Number 40 of 2007 on Company (“Company Law”). Therefore, the Capital Market Law is much older than the Company Law.

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**Leks Blogs Update**

**Administrative and Technical Requirements of the Construction of Strata Title**



## Recommendations



## Background

In densely populated urban areas, where available land is very limited, it is



necessary to develop residential in the form of strata title to provide a complete, balanced, and harmony with its surroundings. Strata title is a storey building built on an area, which is divided into parts that are functionally structured horizontally and vertically and consists of units that can be owned individually and that can be used separately, particularly for residence, which is completed with common equipment, common facility, and common land. The construction of strata title shall fulfill the administrative and technical requirements as stipulated in Government Regulation Number 4 of 1988 (“GR No.4/1988”) jo. Law Number 16 of 1985 (“Law No. 16/1985”). The construction of strata title has to comply with more severe administrative and technical requirements, since strata title has special shape and circumstances which are different from the ordinary horizontal housing.

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## Construction Work Contract

### Background



Construction service is one of the activities in the field of economy, social and culture which has important role in the achievement of various objectives to support the realization of the national development goals. Therefore, the implementation of construction services needs to be regulated to carry out the orderly of the construction work. Construction services are stipulated under the Law Number 18 of 1999 on Construction Services (“Law No. 18/1999”) and Government Regulation Number 29 of 2000 on Implementation of Construction Services (“PP No. 29/2000”) jo. Government Regulation Number 59 of 2010 on Amendment of PP No. 29/2000 (“PP No. 59/2010”).

In a construction work, there are 2 (two) parties that are involved , namely the service user and the service provider. The service user and service provider are bound in a working relation of construction services, provided that such working relation is set out in a construction work contract.

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## Establishment of a Limited Liability Company

### Background

Practically, in Indonesia, Limited Liability Company is the most common form of business entities.

Therefore, it is necessary to arrange laws and regulations concerning the Limited Liability Company as set out in Law Number 1 of 1995 on Limited Liability Company (“Law 1/1995”), which has been replaced in 2007 because it was no longer suitable for the developing economy in the Republic of Indonesia. Now, the Limited Liability Company is regulated in Law Number 40 of 2007 on Limited Liability Company (“Law 40/2007”).



Limited Liability Company (“Company”) can be defined as a legal entity which constitutes a joint of capital established pursuant to a contract in order to on business activities with authorised capital all of which is divided into shares and which fulfils the requirements as stipulated in the Law 40/2007 and its implementing regulations.

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## Mechanism on the Application for Investment Licenses

## Background



To create an order in the investment activity, the authorized body needs to set out a line of licensing process before an investor could conduct the investment activity in the territory of Indonesia. Investment Coordinating Board (Badan Koordinasi Penanaman Modal) ("BKPM") introduced a system, namely Integrated One Door Service (Pelayanan Terpadu Satu Pintu) ("PTSP") whereby investors can enjoy certain facilities. The implementation of PTSP shall comply with all the guidelines and procedures for investment application, as stipulated in the Regulation of Chairman of BKPM No. 12 tahun 2009 ("Perka BKPM 12/2009") in order to create a uniformity in the licensing process of investment and to achieve the purposes of PTSP which are easy, fast, precise, and transparent for the investors.

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## Mining Area

### Background

As explained in Article 1 (30) of Law No. 4 of 2009 on Mineral and Coal Mining ("Mining Law"), Mining Area means a part of Mining Zone which has already been completed with available data, unlocked potentials and/or geological information. Mining Zone means a zone with potential mineral and/or coal reserves, unbound by the limits of government administration as part of the national zoning plan (tata ruang nasional).

It is within the central government's rights, in the pursuit of public interests, to determine Mining Zone. Article 14 of Mining Law stipulates that a determination of Mining Area is conducted upon the coordination between central and regional governments, on the basis of both parties' data, and shall be delivered in writing to the House of Representatives. Some of the central government's authorities may be delegated to provincial governments. Both levels of government must continuously carry out mining surveys, exploration, and research and make inventories in preparation of Mining Zone.



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