



THE PRESIDENT
REPUBLIC OF INDONESIA

GOVERNMENT REGULATION OF THE REPUBLIC OF INDONESIA

NUMBER 41 OF 2006

On

PERMIT TO CONDUCT RESEARCH AND DEVELOPMENT ACTIVITIES FOR
FOREIGN UNIVERSITIES, RESEARCH AND DEVELOPMENT INSTITUTES,
COMPANIES AND INDIVIDUALS

WITH THE BLESSING OF GOD ALMIGHTY

PRESIDENT OF THE REPUBLIC OF INDONESIA

Considering : In order to enforce the provisions of Article
17 paragraph (5) of Law Number 18 of 2000 on
National System of Research, Development and
Science and Technology Application, a
Government Regulation on Research and
Development Activities by Foreign University,
Research and Development Institute, Company
and Individual need to be established;

In View of : 1. Article 5 paragraph (2) of 1945
Constitution of the Republic of Indonesia;
2. Law Number 18 of 2000 on National System
of Research, Development and Science and
Technology Application (Supplement Number
4219 to the State Gazette of the Republic
of Indonesia Number 84 of 2002);



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DECIDED:

To Promulgate : GOVERNMENT REGULATION ON PERMIT TO CONDUCT RESEARCH AND DEVELOPMENT ACTIVITIES FOR FOREIGN UNIVERSITIES, RESEARCH AND DEVELOPMENT INSTITUTE, COMPANIES AND INDIVIDUALS.

CHAPTER I

GENERAL TERMS

Article 1

Throughout this Government Regulation, the following terms shall have meanings as ascribed to them:

1. Science shall mean a series of knowledge that is explored, arranged, and developed systematically using particular approach and scientific methodology of quantitative, qualitative, or explorative nature to explain natural and/or social phenomenon.
2. Technology shall mean means or method, process or product resulting from the application and use of various disciplines that bring values for human being's need satisfaction, survival and life quality improvement.
3. Research shall mean an activity systematically conducted in accordance with scientific norms and method in order to gather information, data and facts in order to understand and establish the truth about science and



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technology and to arrive at scientific conclusion in the interest of science and technology.

4. Development shall mean any science and technology-related activities intended to make use of proven scientific ideas and theories in order to improve the function, benefits, and application of existing sciences and technology or to create new technology.
5. Foreign University shall mean a private or state-owned educational institution for higher learning established and legally existing under the law of a state other than the Republic of Indonesia.
6. Foreign research and development institute shall mean an institution established and legally existing under the law of a state other than the Republic of Indonesia, and engaged in research and development activities.
7. Foreign entity shall mean a private or state-owned legal entity established and legally existing under the law of a state other than the Republic of Indonesia.
8. Foreign person shall mean a non-Indonesian individual.
9. Sponsor shall mean a natural or corporate person residing in or outside Indonesia and established and existing under the law of the Republic of Indonesia or other jurisdiction that undertakes responsibility for research and development activities conducted by a foreign person,



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university, research and development institute and entity.

10. Working Partner shall mean an Indonesian private or state-owned corporate research and development institute, and/or university.
11. Minister shall mean the Minister in charge of research, development and application of science and technology.

CHAPTER II

RESEARCH AND DEVELOPMENT PERMIT

Section One

Authority to Grant Permit

Article 2

- (1) Any research and development activities by foreign university, research and development institute, entity and person within the territory of the Republic of Indonesia shall be subject to written permit from relevant government agency.
- (2) Written permit from government agency as referred to in paragraph (1) shall be issued by the Minister.
- (3) For the purpose of granting written permit as referred to in paragraph (2), the Minister shall evaluate the activities for which the permit is sought and the nature of potential harms that may ensue from the research and development activities.



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Section Two

Object of Permit

Article 3

- (1) The activities for which research and development permit as referred to in Article 2 paragraph (3) is sought shall be itemized in the List of research and development activities.
- (2) Further details pertaining to the list of research and development activities as referred to in paragraph (1) shall be set forth in a Ministerial Regulation.

Article 4.

- (1) The evaluation of research and development activities and nature of potential harms that may ensue from research and development activities shall be conducted by relevant government agency under the Minister's coordination.
- (2) The evaluation as referred to in paragraph (1) shall take into account and consider the following:
 - a. aspect of science and technology benefit;
 - b. foreign relation aspect;
 - c. aspect of environmental preservation;
 - d. political aspect;
 - e. defense aspect;
 - f. security aspect;
 - g. social aspect;



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- h. cultural aspect;
 - i. religious aspect; and
 - j. economical aspect.
- (3) For the purpose of evaluation as referred to in paragraph (1), the Minister may establish a coordinating team;
- (4) Further details pertaining to the establishment of coordinating team shall be set out in a Ministerial Regulation.

Section Three

Permit Issuance Procedure

Article 5

An application for permit in respect of research and development activities to be conducted by foreign person, university, research and development institute or entity shall be submitted in writing to the Minister.

Article 6

The application as referred to in Article 5 shall be accompanied with the following documents:

- a. research and development plan;
- b. recommendation or approval from the sponsor; and
- c. certificate of cooperation from Indonesian Working Partner.



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Article 7

Research and development plan as referred to in Article 6 point a shall indicate at least the following information:

- a. foreign university, research and development institute, entity or person that will conduct the Research and development activities;
- b. names of the said foreign university, research and development institute or entity's researches;
- c. the purposes and objectives of the research and development;
- d. the object of research and development;
- e. the location and region in which the research and development activities are to be conducted;
- f. the benefit(s) offered by the research and development activities to Indonesian people.

Section Four

Approval and Rejection of Permit Application

Article 8

Within 90 (ninety) days after the receipt of complete application for research and development permit, the Minister shall give his responses in respect of the said application for research and development permit.



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Article 9

In case that the application for research and development permit is rejected, the Minister shall send the rejection decision in writing together with the reasons therefore to the applicant, whether foreign university, research and development institute, entity or person.

Article 10

In case that the application for research and development permit is approved, the Minister shall send the rejection decision in writing together with the reasons therefore to the applicant, whether foreign university, research and development institute, entity or person, with copy to the head of relevant government agency.

Section Five

Term and Renewal of Permit

Article 11

Research and development permit shall be valid for 1 (one) year at the longest.

Article 12

- (1) The term of research and development permit as referred to in Article 11 may be renewed 2 (two) consecutive times at the most, each renewal is for 1 (one) year at the longest.



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- (2) A foreign university, research and development institute, entity or person intending to renew its or his research and development permit as referred to in paragraph (1) shall submit to the Minister an application together with the reasons therefore in writing.
- (3) The application for renewal of research and development permit shall be accompanied with required documents as referred to in Article 6 and a statement explaining the benefits of the research and development activity for Indonesian people.
- (4) The application for renewal of research and development permit as referred to in paragraph (2) shall have been received by the Minister at the latest 30 (thirty) days before the expiry of the research and development permit.
- (5) The Minister may approve or reject the application for renewal of research and development permit filed by foreign university, research and development institute, entity or person.

Section Six

Permit Fee

Article 13

- (1) Each application for research and development permit filed by foreign university, research and development



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institute, entity or person shall be subject to research and development permit fee.

- (2) The rate of research and development permit fee as referred to in paragraph (1) shall be fixed in a regulation.
- (3) The research and development permit fee as referred to in paragraph (1) shall be treated as state non-tax revenue.

CHAPTER III

SPONSOR AND WORKING PARTNER

Article 14

- (1) A foreign university, research and development institute, entity or person intending to conduct research and development activity shall have a sponsor and working partner.
- (2) The competence and qualification of sponsor and working partner as referred to in paragraph (1) shall be decided by coordinating team.

Article 15

The sponsor as referred to in Article 14 shall be responsible for the foreign university, research and development institute, entity or person during their presence in territory of the Republic of Indonesia to conduct research and development activities.

Article 16



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Working Partner as referred to Article 14 shall be responsible for the conduct of research and development activity.

Article 17

The requirement for foreign university, research and development institute, entity or person intending to conduct research and development activity to have sponsor may be excepted in case that the working partner of the said foreign university, research and development institute, entity or person has competence and qualification of sponsor.

CHAPTER IV

REPORTING AND IMPLEMENTATION

OF RESEARCH AND DEVELOPMENT ACTIVITY

Article 18

A foreign university, research and development institute, entity or person having obtained research and development permit shall report their arrival and intent to conduct research and development activity to the governor, mayor/regent and the Police of the Republic of Indonesia, unless required otherwise under the prevailing laws and regulations.

Article 19

(1) The foreign university, research and development institute, entity or person shall furnish the Minister



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with reports on the progress of their research and development activities on periodical basis.

- (2) Other matters concerning the reporting of research and development activities as referred to in paragraph (1) shall be set forth in Ministerial regulation.

Article 20

- (1) A foreign university, research and development institute, entity or person may engage in research and development activities as set forth in their research and development permit.
- (2) A foreign university, research and development institute, entity or person as referred to in paragraph (1) may not take any sample and/or specimen from their research and development activities out of the territory of the Republic of Indonesia unless specified otherwise by the statutory provisions.

Article 21

In the conduct of research and development activities as referred to in Article 20 paragraph (1), the foreign university, research and development institute, entity or person shall respect local traditions and cultural norms prevailing in the area in which they conduct research and development activities.



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CHAPTER V

SUPERVISION

Article 22

- (1) The Government shall supervise the conduct of research and development activities by foreign university, research and development institute, entity or person in accordance with the prevailing laws and regulations.
- (2) Further details regarding the supervision of research and development activities as referred to in paragraph (1) shall be set forth in Ministerial Regulation.

CHAPTER VI

SANCTIONS

Article 23

- (1) Any violation of the provisions of Articles 14.(1), 18, 19.(1), 20.(1) and 20.(2) and/or 21 shall be subject to administrative punishment.
- (2) The administrative punishment as referred to in paragraph (1) may be in the form of:
 - a. Oral warning;
 - b. Written warning;
 - c. suspension of activity; or
 - d. annulment and/or revocation of research and development permit;



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- (3) The Minister shall have the authority to impose administrative punishment in the form of annulment and/or revocation of research and development permit as referred to in paragraph (2).
- (4) Further details regarding the imposition of administrative punishment upon foreign university, research and development institute, entity or person as referred to in paragraphs (1), (2) and (3) shall be set out in Ministerial Regulation.

Article 24

Written and/or oral warning may be given in respect of violation as referred to in Article 16.

Article 25

The imposition of administrative punishment upon foreign university, research and development institute, entity or person as referred to in Article 23 shall be without prejudice to the Government's right to prosecute the violator in accordance with the prevailing laws and regulations.

CHAPTER VII

TRANSITIONAL PROVISIONS

Article 26

Any research permit issued to a foreign person by the Head of National Institute of Sciences under Presidential Decree Number 100 of 1993 on Research Permit for Foreign Person



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before the coming into effect of this Government Regulation shall continue to be in full force and effect until the expiry date.

Article 27

An application for research permit filed by a foreign person to the Head of National Institute of Sciences under the Presidential Decree Number 100 of 1993 on Research Permit for Foreign Person before or at the time of the coming into effect of this Government Regulation shall be processed in accordance with the provisions of this Government Regulation.

CHAPTER VIII

CLOSING PROVISIONS

Article 28

- (1) Upon its enactment, this Government Regulation shall supersede Presidential Decree Number 100 of 1993 on Research Permit for Foreign Person.
- (2) Any regulations, directives or instructions created under Presidential Decree Number 100 of 1993 on Research Permit for Foreign Person shall continue to be in full force and effect to the extent not contrary with this Government Regulation.

Article 29

This Government Regulation shall come into full force and effect within 1 (one) year after enactment.



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In order to make it accessible to the public, it is instructed that the enactment of this Government Regulation be announced in the State Gazette of the Republic of Indonesia.

Promulgated in Jakarta

On December 15, 2006

PRESIDENT OF THE REPUBLIC OF INDONESIA

Signed

Dr. H. SUSILO BAMBANG YUDHOYONO

Enacted in Jakarta

On December 15, 2006

MINISTER OF LAW AND HUMAN RIGHTS

REPUBLIC OF INDONESIA

Signed

HAMID AWALUDIN

STATE GAZETTE OF THE REPUBLIC OF INDONESIA NUMBER 104 OF 2006

Certified true copy

Head of Law and Regulation Bureau

Politics and Public Welfare

[sealed and signed]

Wisnu Setiawan



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ELUCIDATION OF

GOVERNMENT REGULATION OF THE REPUBLIC OF INDONESIA

NUMBER 41 OF 2006

ON

PERMIT TO CONDUCT RESEARCH AND DEVELOPMENT ACTIVITIES FOR
FOREIGN UNIVERSITIES, RESEARCH AND DEVELOPMENT INSTITUTES,
COMPANIES AND INDIVIDUALS

I. GENERAL

Article 17 paragraph (4) of Law Number 18 of 2002 on national System of Research, Development and Application of Sciences and Technologies provides that any foreign university, research and development institute, entity or person not residing in Indonesia and intending to conduct research and development activities in Indonesia shall first obtain written permit from relevant government agency. Article 17 paragraph (5) of the same law provides that matters pertaining to permit to conduct research and development activities in Indonesia, for foreign university, research and development institute, entity or person shall be set forth in a Government Regulation.

The said law plays a strategic role in the development of sciences and technologies and lays down direction for the improvement of scientific and technological supports for the achievement of the state's objectives, and improvement of



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national competitiveness and independence in pursuit of the state's interest in international arena. In addition, the law serves as legal basis for the establishment of statutory provisions governing the development of science and technology.

This Government Regulation is created with the rationale that the development of science and technology within national system of research, development and application of science and technology is not inseparable from international cooperation in the field of science and technology. This is fully understood considering that most of progresses in the field of science and technology take place in developed countries. Therefore, international cooperation established by all players in the field of science and technology is aimed at transferring technologies from other countries and improving the contribution of international science community.

One of the forms of international cooperation is research and development projects conducted the territory of the Republic of Indonesia in collaboration with foreign universities, research and development institutes, entities and persons. Such research and development projects include those conducted under Presidential Decree Number 100 of 1993 on Research Permit for Foreign Person. Following the coming into effect of Law Number 18 of 2002, matters concerning



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permits for foreign universities, research and development institutes, entities or persons intending to conduct research and development activity in Indonesia need to be regulated in a Government Regulation.

In addition, the facts show that many research and development activities in Indonesia by foreign university, research and development institute, entity or person did not satisfy prescribed requirements or were conducted illegally without valid permit. Such activities can result in the irresponsible exploitation by foreign persons of Indonesia's biological and non-biological resources, artifacts, and treasures. Worst, illegal research and development activities can cause epidemic, harm environment, bring social problems among the society, or trigger other harmful effects. Therefore regulation of research and development activities is a must in order to prevent research and development activities by foreign university, research and development institute, entity or person that can harm the people and state of the Republic of Indonesia.

In order to implement of the provisions of Law Number 18 of 2002 on national System of Research, Development and Application of Sciences and Technologies and for the purposes of development of science and technology, this Government Regulation contain provisions governing research and



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development activity by foreign university, research and development institute, entity or person in the territory of the Republic of Indonesia. Those provisions shall be treated as guidance by any foreign institutions and/or researchers intending to launch research and development projects in Indonesia.

In acknowledgement of the spirit for international cooperation in the field of research and development, this Government Regulation set forth simple and reasonable requirements, obligations and restrictions that must be satisfied, performed and complied with by foreign institutions and/or researchers, working partner and sponsors. These provisions are not intended to hamper research and development by foreign university, research and development institute, entity or person in the territory of the Republic of Indonesia, but to protect the people, nation and state from any potential harms that may ensue from such research and development activities.

II. ELUCIDATION OF ARTICLE BY ARTICLE

Article 1

Sufficiently clear

Article 2

Paragraph (1)

Sufficiently clear



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Paragraph (2)

The authority to issue research and development permits for foreign university, research and development institute, entity or person is vested in the Minister in order to facilitate the granting of research and development permit without prejudice to the authorities of relevant government agencies.

Paragraph (3)

Evaluation of harmful effect of research and development activities is aimed at preventing research and development activities by foreign university, research and development institute, entity or person that will bring harms to the people or the state due to the fact that:

- a. the research and development activities can result in the irresponsible exploitation of biological and non-biological resources, artifacts and treasures of the state;
- b. the research and development activities can cause epidemic, damage the environment, bring social problems or other harmful effects.

Article 3

Sufficiently clear

Article 4



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Paragraph (1)

Evaluation of research and development activities and nature of potential harms that may ensue from research and development activities shall be conducted by relevant government agency in consideration of the competence and expertise of the said government agency. The evaluation involves many government agencies. Therefore, the Minister must coordinate the evaluation.

Paragraph (2)

Sufficiently clear

Paragraph (3)

The coordinating team are the representatives of relevant government agencies and has the duty to evaluate the object of research and development activities by foreign university, research and development institute, entity or person.

Paragraph (4)

Sufficiently clear

Article 5

Sufficiently clear

Article 6

Sufficiently clear

Article 7



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Point a

"Information about foreign university, research and development institute, entity or person" include information about name, address, seat or legal status of foreign university, research and development institute, or entity.

As to foreign person, the information shall contain personal data about the said person.

Point b

Foreign university, research and development institute and entity are required to indicate information about their researchers. The information include personal data and the status of their relation with the foreign university, research and development institute and entity.

Point c

Sufficiently clear

Point d

Sufficiently clear

Point e

Sufficiently clear

Point f

Sufficiently clear



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Article 8

Sufficiently clear

Article 9

Sufficiently clear

Article 10

"the head of relevant government agency" shall mean the head of government agency having jurisdiction over the object and field of research and development activities.

Article 11

Sufficiently clear

Article 12

Sufficiently clear

Article 13

Sufficiently clear

Article 14

Sufficiently clear

Article 15

"Be responsible" means the sponsor's responsibility for research and development activity conducted by foreign university, research and development institute, entity or person during their presence in the territory of the Republic of Indonesia to conduct research and development activity. In the performance of its responsibility, the sponsor shall monitor and supervise foreign university,



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research and development institute, entity or person to ensure that they conduct the research and development activity in accordance with their permit.

Article 16

"be responsible for the conduct of research and development activity" means that the Working Partner together with foreign university, research and development institute, entity or person jointly conducting the research and development activity in accordance with their cooperation agreement and research and development permit.

Article 17

Sufficiently clear

Article 18

Sufficiently clear

Article 19

Sufficiently clear

Article 20

Paragraph (1)

Sufficiently clear

Paragraph (2)

The statutory provisions under this Article means Law Number 4 of 2006 on Ratification of International Treaty on Plant Genetic Resources for



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Food and Agriculture, which provides for Material Transfer Agreement that allows for the exchange of samples and/or specimens among countries for research purposes.

Article 21

Sufficiently clear

Article 22

Sufficiently clear

Article 23

Sufficiently clear

Article 24

Sufficiently clear

Article 25

Sufficiently clear

Article 26

Sufficiently clear

Article 27

Sufficiently clear

Article 28

Sufficiently clear

Article 29

Sufficiently clear

REPUBLIC OF INDONESIA STATE GAZETTE SUPPLEMENT NUMBER 4666