

## Legal and Administrative Regulations

- **The Agency for the Assessment and Application of Technology (BPPT) sets the standards for all remote sensing software**

In Indonesia, remote sensing falls under the auspices of BPPT (Agency for the Assessment and Application of Technology), which sets the standards for all remote sensing software and **must approve all remote sensing software sold in Indonesia.**

BPPT's requirements include:

  1. The software must be capable of running in open systems
  2. In order to facilitate the international exchange of information, software must meet world standards

In addition, BAPPENAS, the National Planning Board, has an oversight role in planning and establishes inter-sectoral priorities that, in turn, affect the size and orientation of government projects.
- **Software and equipment imported for government agencies are free of duty**

Software and equipment imported for government agencies are free of duty while software imported for private organizations is taxed at 10-12.5% plus 10% VAT.

## Contract Approval Procedures

- **Although Indonesian law does not require a local agent or partner for private sector power projects, for practical purposes, a local agent is crucial for building business in Indonesia as well as for participating in Government of Indonesia contracts**

Indonesian law requires all foreign firms to have an Indonesian partner for all Government of Indonesia contracts. Although Indonesian laws do not require a local agent or partner for *private* sector remote sensing sales, for practical purposes, companies have found a local agent crucial for building business in Indonesia. A necessary attribute for an effective Indonesian agent or distributor is an extensive network of senior level contacts and decision makers. An ability to work successfully with middle management- who are usually responsible for the implementation of specific projects and/or transactions- is also required.