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The Need to Ratify the Hague Apostille Convention – the Indonesian Perspective

Submitted by: ICC Indonesia



**Workshop on Simplified Authentication Process
for Production of Public Documents Abroad
Through the Use of the Hague Apostille
Convention
Medan, Indonesia
27 June 2013**

THE NEED TO RATIFY THE HAGUE APOSTILLE CONVENTION – THE INDONESIAN PERSPECTIVE

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(ICC) Indonesia

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OVERVIEW

Indonesia's performance economic growth remains to be solid. Benefited with a population of over 230 million people and abundant natural resources, Indonesia's domestic consumption and investment, through direct investments as well as Merger & Acquisition cross border transactions continue to drive robust growth to its economy.

Other than by way of establishing new foreign investment companies in Indonesia, cross border Merger & Acquisition activities, and acquisitions in particular continue to be an attractive way to invest in Indonesia.

Investment in Indonesia

- Based on the report from Indonesia Investment Coordinating Board (BKPM), Indonesia received more than Rp 300 trillion (US\$ 31 billion) in investment realization.
- BKPM reported in the first quarter of 2013, foreign and domestic investment rose 30.6% to Rp 93 trillion (US\$ 9.3 billion) from Rp 71.2 trillion (US\$ 7.1 billion).
- Foreign investor constitute of total realized investment (BKPM).

- Central and local governments have been consistently improving the quality of services, especially by simplifying procedures and accelerating the process of licensing for investment.
- Bureaucratic reforms have actually been in place for some years and foster investment and job creation.

Challenges and Obstacles

The Indonesian business environment is becoming more sophisticated and corporate governance has improved in recent years, however investors are still facing challenges such as: (i) the lacking of infrastructure; (ii) the need to improve the quality of the human resources; (iii) legal uncertainties due to constant policy changes and bureaucracy; and (iv) the lacking of coordination between the central and the local government; (v) change of law and several provisions under the Indonesian Law that are not clear.

The Hague Apostille Convention

- Indonesia has not ratify the Hague Apostille Convention.
- Most of Indonesian professionals, businessman and regulators are not familiar with the Hague Apostille Convention.
- The Hague Apostille Convention must be introduced to Business Community and Government.

The Advantage of The Hague Apostille Convention

- Simplify authentication process of foreign documents.
- Benefit the parties in cross border transaction, business community and authorities responsible for authentication.
- Improve the foreign investment competitiveness and facilitate starting of a foreign business.

The Role of International Chamber of Commerce (ICC) Indonesia

- ICC Indonesia acts as a representative of ICC.

Objectives:

- Encourage International trade and commerce through Foreign Direct Investment;
- Promoting consistency and efficiency in investment and commerce.

- ICC Indonesia must introduce the Hague Apostille Convention to Business Community and The Government in order to promote efficiency and competitiveness in foreign investment.
- Advantage for Indonesia to ratify the Hague Apostille Convention.

