

BAHASA BUSINESS



The Indonesia Canada Chamber of Commerce
Monthly Newsletter

APRIL 2016



A Stampede at the Maple Leaf Ball

Employment Law Update:

**Non-Compete Agreements
and Protecting Confidential
Information**

Canada Supports
More Effective
**Public Finance
Management**

Lion Air Buys 5
**Canadian Flight
Simulators**



Canada Supports More Effective **Public Finance Management**

Canada has played a key role in supporting Indonesia create a more effective, measurable, and transparent national revenue generation and expenditure system.

In cooperation with the World Bank, the European Union and governments of the Netherlands, Switzerland, and the US, through the multi-donor trust fund, the government of Canada has fully supported the Government Financial Management and Revenue Administration Project. Most recently, the government of Indonesia, through the Ministry of Finance, launched a key component of the project named SPAN, which is a Public Finance Management information system managing the financial transactions of over 24,000 government spending units across the country.

SPAN is being touted as “sophisticated and modern for the future” by Said Askolani, Director General for Budgeting at the Ministry of Finance. In general, SPAN is an automated treasury payment and budget preparation information system. The system’s functionality is impressive: it can validate government financial transaction data, control government commitments, support the implementation of accrual-based accounting, and help produce real-time financial reports.

Said H.E Donald Bobiash, Ambassador of Canada to Indonesia, “I would like to congratulate the Government of Indonesia for the successful implementation of SPAN, which Canada has supported.

We fully understand the importance of effective revenue collection.



I would like to congratulate the Government of Indonesia for the successful implementation of SPAN



Donald Bobiash
Canadian Ambassador to Indonesia

We look forward to supporting Indonesia in its public finance reform and improvement, which will be an important step forward for Indonesian development efforts.”

It is clear that as a key milestone for the strengthening of Indonesia’s public financial management, SPAN takes Indonesia one step closer to achieving its target of collecting more and spending better.



Will Indonesia Join Canada in the TPP?

Led by the United States, the Trans-Pacific Partnership (TPP) is a type of free trade agreement officially signed (but not yet ratified) on February 4, 2016 by 12 countries bordering the Pacific Ocean (the United States, Canada, Mexico, Japan, Vietnam, Singapore, Brunei, Malaysia, Australia, New Zealand, Peru and Chile). Indonesia is notably absent from the TPP membership list but President Joko Widodo, following face-to-face meetings with President Barack Obama, has hinted Indonesia would be open to joining.

There are some immediate benefits to Indonesia by joining the TPP. When ratified the TPP will be the world's largest free trade agreement, made up of 40% of the world's economic output. This means Indonesian consumers will have greater access to a wider range of products obtained at cheaper prices. And with more choices consumers enjoy better quality of goods and ultimately a higher standard of living.

Indonesian producers, while faced with tighter competition at home, will also have access to larger markets and have greater export opportunities. For many Indonesian producers having greater access to markets in the U.S, Canada, Australia, Japan, and New Zealand, where consumers have much

higher disposable incomes and buying power is a very attractive offer.

Despite President Jokowi's openness to join the TPP, the road to actualization is long. Thomas Lembong, the Indonesian Minister of Trade, has stated the process could take years, and require both



intensive discussions amongst the nation's lawmakers and also the revision of at least a dozen laws and bills. Still, the access the TPP brings Indonesia in terms of global trade will significantly support the country's development goals and the journey itself supports the maxim, 'no pain, no gain.'

Giddyup cowboys and cowgals!! This month's Bahasa Business feature story is about the great time over 300 Canadians and Indonesians had at this year's Maple Leaf Ball – which was based on the surprise theme, "The Calgary Stampede".

This is the first time Bahasa Business has focused on a social event rather than a business related feature story and for the Indonesia Canada Chamber of Commerce, it is quite fitting. The Maple Leaf Ball reflects the many great things about the growing Indonesia – Canada relationship; a sharing of cultures, new friendships being made, and everyone coming together to create brighter futures.

Interestingly, this theme runs through many of this month's articles as we have a story about SPAN and the government of Canada's support to improving Indonesia's public finance management; a story on Lion Air's purchase of Canadian flight simulators, and even a story on how the mayor of Bandung is eyeing a Canadian company's technology to support a waste-based power plant.

As always, we hope you enjoy this edition of Bahasa Business.

Edwin Pierolie
ICCS Secretary General



A Stampede

at the Maple Leaf Ball

Yeeehawww!!
Participants at the
2nd annual Maple
Leaf Ball had a rompin
stompin good time as
this year's theme was
revealed to be "The
Calgary Stampede".





This is the second year the Maple Leaf Ball has kept their theme a secret, relying on participants to purchase their tickets and trust it will be a fun and entertaining night out. It is clear no one was disappointed.

Following an incredible performance by a marching band emulating the Calgary Stampede 'kick-off' parade followed by the band's flawless performances of the Indonesian and Canadian anthems, the evening was filled with delicious food, drink, and fun.

Emcees Rick Emmerson and Edwin Pieroelie, donning black tie topped with original Calgary Stampede cowboy hats, took the audience on a whirlwind tour of auctions, a lasso competition, barrel races, and a Jakarta rendition of the Calgary Stampede White Hat Oath.

A key focus of the Maple Leaf Ball is to garner support for the numerous children's charities supported by the Canadian Women's Association. Through the silent auction, the Emirates auction, and the raffle tickets, more than IDR 125,000,000 was donated.

Supported by an open bar, a very fluid DJ, and an active crowd having a fabulous time, the dancing went on well after 2am. Like any event of this side and magnitude the Maple Leaf Ball would not have been possible without the many sponsors, all of the volunteers, and of course the tireless energy of Maple Leaf Ball Director Stephanie Cooke. Thank you everyone, and see you next year!





Non-Compete Agreements and Protecting Confidential Information

Indonesian employment laws do not expressly regulate noncompetition obligations of employees with the exception of the Head of a Representative Office.

It is essential to include a provision in the employment agreement imposing a duty on the employee not to compete or otherwise act in conflict with the interests of the employer. Or, this provision may be set forth in the Company Regulation or Collective Labor Agreement (CLA). Violation of that contractual duty would be grounds for termination. Interestingly, the Head of a Representative Office is required to sign an undertaking to be solely devoted to the interests of the overseas principal and not to have any other employment whatsoever.

Some noncompetition clauses continue to operate for some time after the employment terminates. However, the enforceability of such postemployment constraints is less clear. There is no jurisprudence on the issue and thus no

clear guidelines as to the requirements for such clauses to be enforceable. Depending on the circumstances, such constraints may even violate Article 27(2) of the Indonesian Constitution, which vaguely guarantees every citizen the right to work and a decent livelihood.

So what can employers do? We do not routinely include post-employment non-compete and non-solicitation clauses in

the employment contracts of ordinary employees. However, for senior executives and other high-risk employees, such constraints may be commercially justified. Given the constitutional right to work and the lack of judicial guidance, we recommend that the clauses set reasonable geographic and time limitations, and for greater certainty, include some compensation during the restraint period.



What happens if an employee reveals trade secrets or other IP? All employers are advised to include a serious misconduct clause – including disclosure of confidential information and misuse of IP – in their employment agreements and Company Regulations or CLAs to create grounds for termination.

Under Indonesian Law No. 30 of 2000 regarding Trade Secrets, employers also enjoy protection of their trade secrets for methods of production, processing, sale, and other technology or business information that has economic value and is not otherwise available to the general public. Under the Trade Secrets Law, the employer can commence an action in the District Court for direct damages and injunctive relief in connection with any person's unauthorized disclosure of trade secrets. In addition, anyone who deliberately and without entitlement uses a company's trade secrets is also subject to criminal sanctions.



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ICCC & KADIN

Voice Mutual Support



The early March 2016 meeting between KADIN (the Indonesian Chamber of Commerce and Industry) and the ICCC (the Indonesia Canada Chamber of Commerce) marked the first meeting between the two organizations under the new leadership of KADIN Chairman Rosan Roeslani, who won the important position following a landslide victory over former Indonesian trade minister Rachmat Gobel at the end of last year.

During the nearly 2 hour meeting, ICCC President Chris Bendl shared Canadian businesses' long history in Indonesia and the growing range of Canadian expertise available to support Indonesia's development – not just in the traditional sectors of Mining and Agriculture, but in many other areas including aviation, IT, transportation, telecommunications, finance and banking, consulting services, manufacturing, and renewable energy (hydro and geothermal).

A considerable amount of the discussion was also centered on how Indonesian companies could invest in Canada and how the ICCC acted as a two way bridge; supporting Canadian businesses looking to do business in Indonesia but also working with Indonesian companies looking to do business in Canada.

While it was dubbed an introductory meeting, there are concrete steps ahead in the growing relationship between KADIN and the ICCC with agreements made on the following:

- KADIN Chairman Roeslani agreeing to give a keynote speech at the upcoming ICCC AGM & Networking Luncheon
- Finalizing an MoU between ICCC & KADIN
- ICCC supported capacity building for KADIN's organizational operations (specifically thru the Business Support Desk platform)
- Linkage access to regional KADIN (KADINDA)



Who attended?	
KADIN	ICCC
Rosan P. Roeslani (KADIN Chairman)	Chris Bendl (ICCC President)
Shinta W. Kamdani (KADIN Vice Chairman)	Edwin Pieroelie (ICCC Secretary General)
Diono Nurjadin (Head of Permanent Committee for the Americas and International Economic Institutions)	Greg Elms (ICCC Policy Committee member)
Gautam Naraindas (Deputy Director of International Division)	Helmi Maemozax (ICCC Board member)
	Peter van Dijk (Asia Pulp & Paper / Paper Excellence representative for ICCC)
	Wely Kustono , ICCC COO
	Karina Sherlen , ICCC Secretariat



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Private Sector Needed to Fight Corruption



Fresh off its agreement with the Financial Services Authority (OJK) to tackle corruption in the financial services sector, the KPK (Corruption Eradication Commission) which is generally recognized for chasing crooked politicians and government employees, is actively conducting a business outreach program.

One of the activities was the joint ICCV AMCHAM breakfast briefing held on Thursday March 10, 2016.

Lead by Dr. Pahala Nainggolan, KPK Deputy of Corruption Prevention, breakfast participants received an update on the organization's latest corruption prevention programs and were invited to help support the KPK significantly reduce corruption in the private sector.

During his presentation, Dr. Nainggolan admitted that most of the corruptors the KPK had brought to trial were current or former government officials but he provided some startling statistics, namely that more than 75% of those corruption cases had direct

involvement with the private sector.

Currently the KPK's focus is still on State Owned Enterprises but they are expanding over a 4 year time frame to include publicly-traded companies, bank and insurance companies, and other financial institutions.

One of the ways the KPK has suggested private sector organizations help reduce corruption is by changing the company culture to one that is more transparent and supportive of anti-corrupt practices. Companies can start very simply, even by developing a company statement, visible to all employees and the public, that they are against corrupt practices.

Attended by approximately 50 business leaders the breakfast ended with a very lively Q&A session moderated by ICCV Vice President Richard Emmerson.



INVITATION

La Coupe Du Canada **CANADA CUP**

Friday, May 20th 2016

**SENTUL HIGHLANDS
GOLF CLUB**

Shotgun: 07.30 AM

Contribution fee:

- * Rp 2.000.000,- (Early bird; until March 31st 2016)
- * Rp 2.200.000,- (Normal price)

Organized by:





Canada

A Great Place for Foreign Investment

Canada is ready to open its doors to more foreign investment and investors should take advantage of the current opportunities. It is a great country for foreign investment due to its stable political climate, depreciated dollar value, the lowest tax costs in the G7 countries, and business-friendly legal regime.

A New Government:

The new Canadian Government views foreign investment as a “key priority” for Canada and as a catalyst for more “middle class jobs” and will likely implement positive changes in the area of foreign investment regulation. At the World Economic Forum in January, Canadian Prime Minister Justin Trudeau met with amongst others, the heads of General Motors, Renault-Nissan, and Alibaba to sell Canada as “open for business.”

The Low Dollar Value:

The low dollar value, around 70 cents U.S., offers businesses a bargain in setting up shop in Canada. The low Canadian dollar helps foreign investors buy more and make their investment go further. It also makes Canadian made products less expensive and will result

in higher exports, and lower wage costs for Canadian employees.

Low Tax Costs:

Contrary to popular belief, Canada has a low business tax rate for investments of on average 15%. Canada’s tax costs are 46% lower than those in the U.S. and by far the lowest in the G7.

Business-Friendly Legal Regime:

Those wishing to invest in Canada must file a notification under the Investment Canada Act, with only large investments (those over Cdn\$600 million) requiring a more formal review to evaluate if they are of “net benefit to Canada.” To decide whether an investment is of “net benefit to Canada”, the Canadian Government will consider factors, such as the effect of the investment on the level of

economic activity in Canada; the degree and significance of participation by Canadians in the business; and the contribution of the investment to Canada’s ability to compete in world markets.

Foreign businesses wishing to operate in Canada can choose from several business structures, including sole proprietorship, partnership, and corporation, or they may conduct business through branch operations or a joint venture or a contractual arrangement. A corporation may be created in Canada under either federal or provincial legislation and may carry on business anywhere in Canada, provided it complies with provincial requirements.

By

Franca Ciambella
Managing Director, *Consilium Law Corporation & Colin Bourrier*,
Legal Intern (*McGill University*), *Consilium Law Corporation*

Lion Air Buys 5 Canadian Flight Simulators



We are delighted to have chosen CAE to support our growing training needs

Edward Sirait
Lion Air Group chief executive

LION AIR took the first steps in its C\$350 million deal signed with CAE (formerly Canadian Aviation Electronics) and has acquired five full-flight simulators valued at C\$50 million. The flight simulators will be used to enhance pilot training and support the airline's growing need for pilots.

Said Lion Air Group chief executive Edward Sirait "We are delighted to have chosen CAE to support our growing training needs as we continue to expand our business in the region,"

In addition to providing three Boeing 737MAX simulators, Airbus A320NEO simulator and one more ATR72-600 simulator CAE will also provide a ground-school training program which will be in full compliance of the European Aviation Safety Agency (EASA) requirements.

CAE is a global leader in providing comprehensive training solutions based on world-leading simulation technology and integrated training services. The company employs 8,000 people at more than 160 sites and training locations in 35 countries. The business relationship between CAE and Lion Group started in 2007 with Lion Group previously purchasing 12 of the simulators.

Lion Air took to the skies from Indonesia in 2000 with one aircraft in its fleet. Reflecting the true potential of doing business in Indonesia,



within eight years of operation, Lion Air now flies to more than 36 cities in Indonesia and many other destinations such as, Singapore, Malaysia and Vietnam. To meet expansion plans Lion Group needs hundreds of pilots over the next several years opening up many more opportunities for Canadian companies.



Flying to Canada?

Entry rules are changing.

Canada is introducing a new entry requirement, known as an Electronic Travel Authorization (eTA), for visa-exempt foreign nationals travelling to or transiting through Canada by air. Exceptions include U.S. citizens and travellers with a valid visa.

Eligible travellers can now apply online for an eTA. On March 15, 2016, this new requirement will become mandatory and travellers will need an eTA before they can board their flight to Canada. To find out more, visit Canada.ca/eTA.

DID YOU KNOW?

1) Multiple-entry visas make it easier for travellers to visit Canada

Since 2014, visitors to Canada are automatically considered for a multiple-entry visa. Multiple-entry visas allow qualified visitors to come and go from Canada for six months at a time for up to 10 years without having to reapply each time.

By harmonizing the single- and multiple-entry visa fees, the visa application process will become simpler for applicants and promote tourism and trade by increasing the number of eligible travellers who are able to make multiple visits to Canada.

2) You can now apply online for:

- Study permits
- Work permits
- Visitor visas
- Skilled worker programs through Express Entry, including:
 - The Federal Skilled Worker Program,
 - The Canadian Experience Class, and
 - The Federal Skilled Trades Program.

Canada

Come to Canada



Answer a few questions to find out what immigration programs you can apply for and how to submit an online or paper application.

Visit: <http://www.cic.gc.ca/ctc-vac/getting-started.asp>

\$olid Wa\$te

Enerkem, a Montreal based waste-to-biofuels company whose proprietary thermo-chemical technology converts residual materials such as non-recyclable municipal solid waste into clean transportation fuels, advanced chemicals, and electricity, has caught the attention of Bandung Mayor Ridwan Kamil who has invited the Canadian company to present its credentials in Indonesia.

Enerkem operates a demonstration plant and a pilot facility in Quebec and is beginning operations at Enerkem Alberta Biofuels in Edmonton, Alberta which will be its first full-scale commercial

facility. The company is developing several cellulosic ethanol and renewable chemicals production facilities in North America and globally, based on its modular manufacturing approach.

Bandung Mayor Ridwan Kamil is looking at Enerkem's technology to support the CDN150 million waste based power plant project in Gedebage, Bandung where 55 hectares of land has already been earmarked for the critical project.



Join ICCC

The Indonesia Canada Chamber of Commerce (ICCC) is a membership organization that exists primarily to promote positive business growth for social and economic development both in Indonesia and in Canada. The ICCC vision is to be recognized as the home of ideas and information to best support the connecting of Canadian and Indonesian business interests and our organization works at the grass-roots business level to nurture local business relationship networks for the benefit of all our members. There is truth in the phrase "strength in numbers" and we invite all businesses in the Indonesian-Canadian community to join us.

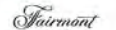
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In this April 2016 edition, special appreciation goes to:

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