

HCML Guideline for Obligation to Utilize Indonesian Rupiah ("IDR") Currency

References:

- Peraturan Bank Indonesia Nomor 17/3/PBI 2015 ("PBI 17")
- Circular Letter of Bank Indonesia No.17/11/DKSP dated June 01, 2015
- Bank of Indonesia letter to SKK Migas No.17/573/DKSP dated July 01, 2015
- SKK Migas letter No.SRT-0905/SKKC1000/2015/S4 dated July 03, 2015
- SKK Migas letter No.SRT-0823/SKKC1000/2015/S4 dated September 25, 2015

Based on the above references, HCML have guidance as follows:

1. Bank Indonesia (BI) states that PSC's transaction can be categorized as follows:
 - Category 1: any transaction utilizing IDR.
 - Category 2: any transaction that required further assessment utilizing foreign currency or IDR.
 - Category 3: any transaction utilizing foreign currency.
2. SKK Migas issued a letter No.SRT-0823/SKKC1000/2015/S4 that the attached list is included in Category 1. SKK Migas will issue a letter to Cooperation Contract Contractor (KKKS) regarding list of transaction for category 2 and category 3 before December 31, 2015.
3. Any contract that has been tendered before July 01, 2015 and signed on September 30, 2015 at the latest can use the currency of the contract. Any contract that including in Category 1 and has not been signed until October 1, 2015 must utilize IDR.
4. Any contract which has been signed before October 01, 2015 shall remain as is until the expiry date of contract. If there is extension of the contract period and/or changes of the party, goods and/or services price, and/or contract object, as of October 1, 2015 then it shall be used currency based on transaction category. The changes of currency in the contract shall be in form of amendment.
5. In the event conversion of USD into IDR required, then the exchange rate shall refer to Jakarta Interbank Spot Dollar Rate (JISDOR) at Bank of Indonesia website (www.bi.go.id) at the date of the amendment made and to be attached in the amendment.
6. The Contract consist of master contract, derivative contract or other document such as purchasing order, service order and delivery order. Contract which is a derivative of the master contract that made as of October 1, 2015, shall be treated as a stand-alone contract then it shall be used currency based on transaction category.

Date: October 5, 2015

Approved by



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Senior Manager SCM



BA / RD

LIST OF CATEGORY 1 TRANSACTION

No.	General Activities	Remarks/Description
	Employee Relation	
1	Audit Services-Domestic	Audit services that performed by domestic services provider
2	Financial Advisor-Domestic	Financial consultant Services that performed by domestic service provider
3	Inspection Services	Inspection Services by third party
4	Other Consultant-Domestic	Other consultant services that performed by domestic service provider
5	Legal Services-Domestic	Legal consultant services that performed by domestic service provider
6	Manpower Services	Manpower services that performed by domestic service provider
7	Medical-Domestic	Medical services by domestic service provider
8	Medical and Safety Equipment-Non Masterlist	Purchase of medical and safety equipment without master list
9	Membership Fee-Domestic	Membership fee, such as sports facility for manpower
10	Recruiter Services-Domestic	Manpower recruitment services by domestic service provider
11	Training-Domestic	Domestic training fee
	Employee Salary & Benefit	
12	Employee Income Tax, Withholding Tax, VAT	Employee income tax, withholding tax, PPN
13	Salary & Benefit for National Employees	Salary & benefit for National employees
	General Services	
14	Airline Ticket-Domestic	Airline ticket domestic
15	Building Maintenance Services & Utilities	Building maintenance services and supporting/utilities fee such as electricity, water, and telephone
16	Car Rental-Domestic	Car rental services by domestic rental provider
17	Catering and Housekeeping Services	Catering and housekeeping services
18	Domestic Courier Service	Domestic courier service
19	Facility Management (non-production)	Non production facility management services
20	Furniture	Purchase of furniture and office equipment
21	Hotel-Domestic	Domestic hotel services
22	Public Relation Services	Public relation services such as promotion activity, sponsorship, public relation event in domestic
23	Confection Services-Domestic	Confection services
24	Delivery Services (Freight Forwarding/Cargo- Domestic)	Domestic delivery services
25	Logistic Provider Services-Domestic	Domestic logistic provider services
26	Event Organizer Services	Event organizer services
27	Operational Support Activity in order to Social Responsibility	Operational support activity in order to social responsibility, such as construction of physical facilities for ease of public access around the operations location
28	News Monitoring Services	News broadcast via media (email, SMS)

LIST OF CATEGORY 1 TRANSACTION

No.	General Activities	Remarks/Description
	Office Supply	
29	Purchase of Office Supplies	Purchase of office supplies
30	Official House Rental	Official House Rental
31	Office Building Rental	Office Building Rental
32	Printing & Bindery Services	Printing & Bindery Services
33	Permits and Formalities Services	Permits and formalities services
34	Property Services	Building/House rental maintenance services
35	Subscriptions of Magazine/Newspaper, Translation	Subscriptions of magazine/newspaper and translation
36	Warehouse/Storage Rental	Warehouse/storage rental
	IT Services	
37	Internet Services	Internet services
38	IT Consultant-Domestic	Domestic IT Consultant services
39	IT Hardware Supply-Domestic	Domestic IT hardware supply
40	IT Maintenance Services (Hardware)-Domestic	Domestic IT hardware maintenance services
41	IT Maintenance Services (Software)-Domestic License	Domestic IT software maintenance services/ domestic IT license
42	IT Manpower-Domestic	Domestic IT Manpower services
43	IT Storage Service-Domestic	IT storage services from domestic services provider
44	LAN and Peripheral	Network provider services
45	Read Out data download CVR and FDR-Domestic	Domestic data download services
	Operation	
46	Contract Penalty to Third Party	Receipts penalty from vendor adjusted with the contracts currency
47	Credit Life Insurance (HOP Insurance old version)	Insurance guaranteeing repayment of the debt if the borrower dies.
48	HSE	Services related to environmental protection and work safety, not included emergency response handling such as oil spill, blow-out, mercury handling and treatment
49	Management of Platform Maintenance	Platform maintenance services
50	Operation Support Services by National Expert	Operation Support Services by National expert
51	Drilling Waste Management	Drilling waste management
52	Waste Management	Waste management
53	Personnel Accidents Insurance (OJT, Visitors Ensemble & SCS)	Insurance that provides protection if the insured had an accident that results in death or permanent disability all or part of body.
54	UPL/UKL Study	Environment management efforts and environment monitoring efforts study services
55	Transportation	land transportation provider services
56	Workman Compensation-Work Accident Insurance	Insurance that guarantees the inability to work due to work accidents or illness faced by workers in their works

LIST OF CATEGORY 1 TRANSACTION

	Others	
57	CIF Vessel Operating Cost Audit Fee-Domestic	Domestic vessel inspection services fee
58	Cargo Independent Surveyor Fee in Domestic Port	Inspection services fee in domestic port
59	Custom Bond Handling Fee	PPJK Agency fee
60	Crew & Shipmater Services-Domestic	Domestic pilotage port fee
61	Procurement of Fresh Water	Fresh water provider services
62	Sales of flight re-fueling into air craft for domestic route/domestic uplift	Sales of flight re-fueling into air craft for domestic route/domestic uplift
63	Fuel sales for Domestic Bunker Route	Fuel sales for Domestic Bunker Route
64	Port Charges Agency-Domestic	Domestic mooring fee, berthing port
65	Study-Domestic	Other study services from domestic services provider
66	PLN	Electricity services by PLN
	Security	
67	Security Services (Manpower)	Manpower services for security
68	Procurement of Safety Equipment-Domestic	Provision of safety equipment services from domestic services provider and domestic material