



client Alert

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MACHINERY AND/OR EQUIPMENT RESTRUCTURING PROGRAM

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In order to enhance productivity and competitiveness in Indonesia's agro-industry sector, the Ministry of Industry of the Republic of Indonesia introduced a machinery and/or equipment restructuring ("**Restructuring**") program under the Regulation of the Minister of Industry No. 15 of 2026 regarding the Restructuring Program in the Agro-Industry Sector ("**RM 15/2026**"), which took effect on 23 June 2026.

Through RM 15/2026, the government provides a support scheme in the form of partial reimbursement of the purchase price of machinery and/or equipment acquired by industrial companies undertaking the renewal or expansion of their production facilities. The program is intended, among other things, to encourage the industrialization of agro-based natural resources, promote the adoption of advanced technology, and improve the availability of industrial raw materials and/or supporting materials.

Below are some of the provisions of the Restructuring program regulated under RM 15/2026:

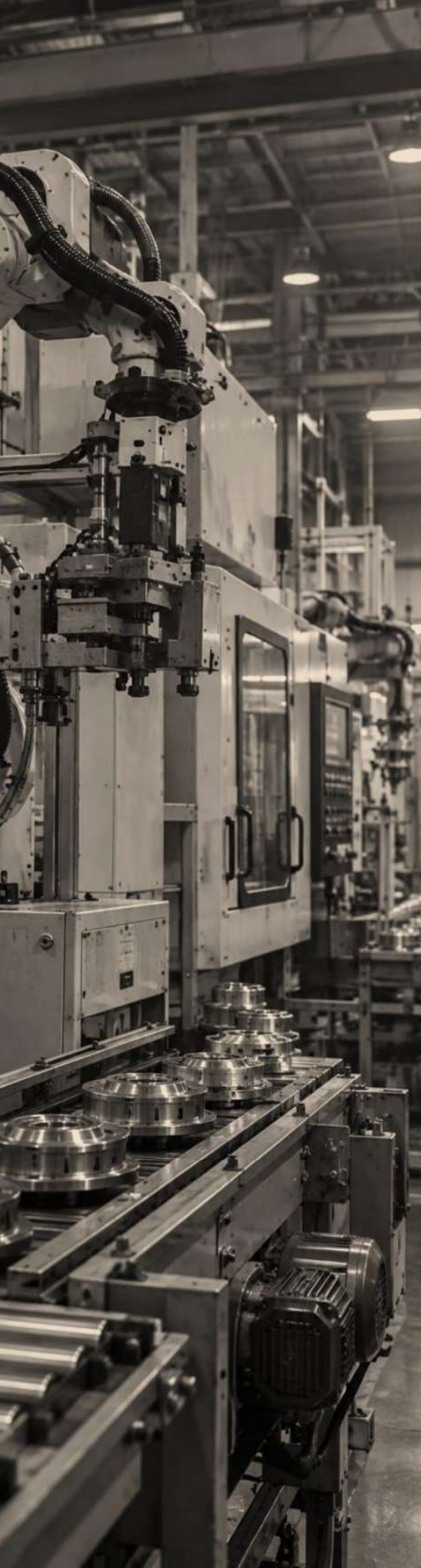
1. Form and Amount of the Reimbursement Facility

The Restructuring program is implemented through a partial reimbursement of the purchase price of machinery and/or equipment. An industrial company may receive the reimbursement facility up to 3 (three) times in different budget years, provided that each application relates to different machinery and/or equipment.

The amount of reimbursement depends on the type of machinery and/or equipment purchased. Domestically produced machinery and/or equipment holding a Domestic Component Level (*Tingkat Komponen Dalam Negeri* - "**TKDN**") certificate of at least 25% are eligible for reimbursement of up to 35% of the purchase price.

Meanwhile, domestically produced machinery and/or equipment without such a TKDN certificate are eligible

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for reimbursement of up to 25% of the purchase price, while machinery and/or equipment that are not produced domestically are eligible for reimbursement of up to 15% of the purchase price.

Reimbursement is granted up to a maximum of Rp1,000,000,000 (one billion Rupiah) per recipient in each budget year, subject to the availability of funds in the budget implementation list.

2. Conditions for Reimbursement

Reimbursement may be granted for purchases of machinery and/or equipment financed through the company's own funds, bank or non-bank financing facilities, or supplier credit arrangements. For purchases financed through the company's own funds or financing facilities, the purchase price must be fully paid and supported by the relevant documentary evidence. In the case of supplier credit arrangements, at least 70% of the purchase price must have been paid at the time the reimbursement application is submitted.

3. Criteria and Types of Machinery and/or Equipment

RM 15/2026 stipulates that the reimbursement facility may only be granted for new machinery and/or equipment with a purchase value of at least Rp300,000,000 (three hundred million Rupiah). Such machinery and/or equipment must be used in the production process or its supporting activities, whether as primary or supporting production machinery and/or equipment, and must have been manufactured no more than 4 (four) years prior to the year in which the application for the reimbursement facility is submitted.

4. Requirements for Participation in the Restructuring Program

The Restructuring program is available to agro-industry companies that have commenced commercial production and hold the relevant business licenses under the applicable Indonesian Standard Classification of Business Fields (KBLI), which have been effective for at least 2 (two) years.

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Companies intending to participate in the Restructuring program must satisfy several eligibility requirements, including having an account with the National Industry Information System (*Sistem Informasi Industri Nasional* - "SIINas"), completing a self-assessment of the Industry 4.0 Readiness Index through SIINas, having an investment value of more than Rp10,000,000,000 (excluding land and buildings), and not participating in any other restructuring program administered by the Ministry of Industry of the Republic of Indonesia during the same budget year.

5. Application and Verification Process

Companies seeking to participate in the Restructuring program must submit their applications and supporting documents electronically through SIINas. Once submitted, the application will undergo both administrative and field verification by the Restructuring Program Management Institution (*Lembaga Pengelola Program Restrukturisasi*).

Following the verification process, the technical team reviews the application and determines whether it is approved, rejected, or placed on a waiting list. For approved applications, reimbursement funds are disbursed after the applicant executes a reimbursement agreement and submits a disbursement request through SIINas.

Conclusion

RM 15/2026 provides an opportunity for agro-industry businesses to obtain government support for the modernization of their production machinery and/or equipment. Companies operating in the agro-industry sector should therefore assess their eligibility for the program and ensure that the required documentation is properly prepared in order to take advantage of the available reimbursement scheme.

This Client Alert is provided for general informational purposes only and does not constitute legal advice. Please contact us should you require further information or assistance regarding the provisions on the Restructuring program in the agro-industry sector or related matters.

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For further information regarding the above Client Alert and future updates, please contact our counselors at:

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