

NEW RULES FOR APPLICATION BASED PUBLIC TRANSPORTATION

The Minister of Transportation has issued Minister of Transportation Regulation No. PM 32 of 2016 on the Organization of Non-Fixed-Route Public-Transportation Services. This regulation addresses the ongoing dispute between the existing transportation companies and application-based transportation services. According to this regulation, public transportation services may only be provided by public cars/ buses and are limited to city areas and certain other areas, which have no permanent routes or schedules. Public transportation services may only be provided by Public Transportation Companies that are Indonesian legal entities. These companies must have a license to organize public transportation without designated routes (“**Public Transportation License**”).

Types of Public Transportation:

1. Public Transportation by Taxi. Taxi services for public transportation are unscheduled door-to-door services using sedan/non-sedan vehicles that have the word “TAKSI” placed on top of the vehicle and use a meter-based payment system.
2. Public Transportation for Certain Purposes. Public Transportation for Certain Purposes includes shuttle services, residential transportation services, employee transportation services, chartered transportation services and transportation rental services.
3. Public Transportation Services for Vacation Purposes. Public Transportation Services for Vacation Purposes are unscheduled transportation services strictly limited for vacation purposes.
4. Public Transportation in Certain Areas. Public Transportation services in Certain Areas are unscheduled transportation services restricted to certain limited areas.

The Organization of Public Transportation using IT-based Applications

Public Transportation Companies may organize Public Transportation using IT-based Applications to provide passengers with an easier order and/or payment mechanism. Public Transportation Companies may organize this independently or in cooperation with an Indonesian legal entity IT-based Applications Provider.

In this cooperation, the IT-based Applications Provider may not engage in the following Public Transportation Company activities:

- a. determining the tariff and charging the fee;
- b. recruiting drivers; or
- c. determining the drivers' income.

IT-based Applications Providers must provide the following information to the Land Transportation Director General:

- a. the company's profile;
- b. access to the operations monitoring service;
- c. the data of all the cooperating public transportation companies;
- d. the data of all vehicles and drivers;
- e. consumer support services (telephone, email, office address of the IT-based Application Provider).

If an IT-based Applications Provider wishes to engage in the Public Transportation business, they require: 1) a Public Transportation License; 2) the status of an Indonesian legal entity; and 3) all the requirements applicable to Public Transportation Companies under Article 23, i.e.: a) at least 5 vehicles as evidenced by Vehicle Number Certificates in the name of the company; b) a pool to park the vehicles in; c) vehicle maintenance facilities as evidenced by ownership documents; and d) drivers holding valid drivers' licenses appropriate to the vehicle category.