

REGULATION OF THE MINISTER OF COMMUNICATIONS AND INFORMATICS
OF THE REPUBLIC OF INDONESIA
NUMBER 5 OF 2019
ON
OPTIMIZATION ON THE USE OF RADIO FREQUENCY SPECTRUM

BY THE BLESSINGS OF ALMIGHTY GOD

MINISTER OF COMMUNICATIONS AND INFORMATICS
OF THE REPUBLIC OF INDONESIA,

Considering : a. that the radio frequency spectrum is a limited natural resource that requires regulation in order to provide maximum benefit for the Indonesian people;

b. that the use of the radio frequency spectrum currently experiences an increasing growth and dynamic developments resulting in a need to optimize the use of radio frequency spectrum regularly;

c. that the existing regulation has not accommodated optimization effort on the use of radio frequency spectrum regularly;

d. that based on the considerations as referred to in point a, point b, and point c, it is necessary to issue a Regulation of the Minister of Communications and Informatics on Optimization on the Use of Radio Frequency Spectrum;

Observing : 1. Law Number 36 of 1999 on Telecommunication (State Gazette of the Republic of Indonesia of 1999 Number 154, Supplement to the State Gazette of the Republic of Indonesia Number 3881);

2. Government Regulation Number 52 of 2000 on Telecommunication Operations (State Gazette of the Republic of Indonesia of 2000 Number 107, Supplement to the State Gazette of the Republic of Indonesia Number 3980);
3. Government Regulation Number 53 of 2000 on Use of Radio Frequency Spectrum and Satellite Orbit (State Gazette of the Republic of Indonesia of 2000 Number 108, Supplement to the State Gazette of the Republic of Indonesia Number 3981);
4. Presidential Regulation Number 96 of 2014 on Indonesia Broadband Plan 2014 - 2019 (State Gazette of the Republic of Indonesia of 2014 Number 220);
5. Presidential Regulation Number 54 of 2015 on Ministry of Communications and Informatics (State Gazette of the Republic of Indonesia of 2015 Number 96);
6. Regulation of the Minister of Communications and Informatics Number 6 of 2018 on Organization and Work Procedure of Ministry of Communications and Informatics (State Bulletin of the Republic of Indonesia of 2018 Number 1019);
7. Regulation of the Minister of Communications and Informatics Number 7 of 2018 on Online Single Submission for Communications and Informatics Sector (State Bulletin of the Republic of Indonesia of 2018 Number 1041);
8. Regulation of the Minister of Communications and Informatics Number 9 of 2018 on Operational Provisions on the Use of Radio Frequency Spectrum (State Bulletin of the Republic of Indonesia of 2018 Number 1142);
9. Regulation of the Minister of Communications and Informatics Number 13 of 2018 on Indonesian Spectrum Allocation Table (State Bulletin of the Republic of Indonesia of 2018 Number 1372);

HAS DECIDED:

To issue : REGULATION OF THE MINISTER OF COMMUNICATIONS AND INFORMATICS ON OPTIMIZATION ON THE USE OF RADIO FREQUENCY SPECTRUM.

CHAPTER I
GENERAL PROVISIONS

Article 1

In this Ministerial Regulation:

1. Telecommunication means any transmission, sending or reception of any kind of sign, image, sound and information in any form by means of a wire, optical, radio or other electromagnetic systems.
2. Radio Frequency Spectrum means a set of radio frequency band.
3. Radio Frequency Band means part of the Radio frequency spectrum with certain width.
4. Radio Frequency Channel means a part of Radio Frequency Bands specified for a radio station.
5. Apparatus License (*Izin Stasiun Radio*), hereinafter abbreviated with ISR, means the license for the Use of Radio Frequency Spectrum in the form of radio frequency channel based on specific requirements.
6. Bandwidth License (*Izin Pita Frekuensi Radio*), hereinafter abbreviated with IPFR, means radio station license for the use of Radio Frequency Spectrum in the form of Radio Frequency Bands based on specific requirements.
7. Fee for the Use of Radio Frequency Spectrum Right, hereinafter referred to as Spectrum Fee, means an obligation that must be paid by every Radio Frequency Spectrum user.
8. Optimization on the Use of Radio Frequency Spectrum, hereinafter referred to as Optimization, means an effort to enhance the benefit value of Radio Frequency
9. Spectrum Refarming of License Holder for the Use of Radio Frequency Spectrum, hereinafter referred to as

Refarming, means the process to obtain stipulation of a contiguous license holder for the use of Radio Frequency Spectrum on the same Radio Frequency Bands.

10. Migration of License Holder for the Use of Radio Frequency Spectrum, hereinafter referred to as Migration, means to transfer license holder for the Use of Radio Frequency Spectrum from the currently used radio frequency to a certain radio frequency.
11. Technical Action means technical efforts to minimize harmful interference in accordance with the provisions of the legislation.
12. Minister means the Minister administering government affairs in the field of communication and Informatics.
13. Director General means the Director General of Resources Management and Equipment of Posts and Informatics.

Article 2

- (1) Optimization is performed with the aim of increasing the benefits value of Radio Frequency Spectrum on the use of Radio Frequency Bands in order to provide benefits for the public.
- (2) Optimization as referred to in section (1) is carried out based on government initiatives and/or based on the suggestions from the license holders for the use of Radio Frequency Spectrum.
- (3) The Minister gives approval or rejection on the suggestions proposed by the license holders for the use of Radio Frequency Spectrum as referred to in section (2) based on the analysis results.

Article 3

Optimization as referred to in Article 2 section (1) consists of 3 (three) stages:

- a. pre-optimization;
- b. Optimization implementation; and
- c. Optimization evaluation.

CHAPTER II
PRE-OPTIMIZATION

Article 4

- (1) Pre-optimization as referred to in Article 3 point a is performed by conducting evaluation on:
 - a. the condition of Telecommunication industry sector in the concerned Radio Frequency Band;
 - b. business competition in industry sector;
 - c. economy value of Radio Frequency Spectrum;
 - d. the characteristics of the use of Radio Frequency Spectrum;
 - e. technology maturity (ecosystem) on the use of Radio Frequency Spectrum;
 - f. coverage and quality of services, Telecommunication networks that have been built, Telecommunication network development plans, number and customer distribution from the license holder for the use of Radio Frequency Spectrum;
 - g. utility of the use of Radio Frequency Spectrum;
 - h. capability to pay Spectrum Fee;
 - i. Government plan on the use of Radio Frequency Spectrum;
 - j. benchmark on the use of Radio Frequency Spectrum in international level, including the basis of regulation implementation considerations;
 - k. provisions on allocation for international Radio Frequency Spectrum; and/or
 - l. compliance with the provisions of legislation in the telecommunication sector.
- (2) Holder of IPFR is obligated to submit data for evaluation on the sectors as referred to in section (1) point e to point h.
- (3) To conduct evaluation as referred to in section (1), an evaluation team can be formed.

Article 5

In the event that evaluation results during the pre-optimization stage as referred to in Article 4 stated that it is required to increase the benefit value on certain Radio Frequency Bands, pre-optimization is proceeded to optimization implementation stages as referred to in Article 3 point b.

CHAPTER III OPTIMIZATION IMPLEMENTATION

Part One

Method

Article 6

The optimization implementation stages as referred to in Article 3 point b are performed based on the following methods:

- a. reallocation of radio frequency;
- b. Refarming;
- c. Migration;
- d. assignment of Radio Frequency Bands;
- e. reassignment of Radio Frequency Bands;
- f. rejection or approval on IPFR renewal;
- g. re-evaluation on Spectrum Fee;
- h. re-evaluation on the use of technology;
- i. changes for imposing the license form for the use of Radio Frequency Spectrum; and/or
- j. Technical Action.

Part Two

Reallocation of Radio Frequency

Article 7

- (1) Reallocation of radio frequency as referred to in Article 6 point a is performed in order to adjust to the national policy on the use of Radio Frequency Spectrum.

- (2) Reallocation of radio frequency as referred to in section (1) is performed by considering at least:
 - a. the planning on the use of national Radio Frequency Spectrum;
 - b. the condition of license holder for the use of Radio Frequency Spectrum that consists of service coverage, technology development plan, customer distribution and fulfillment of development commitment;
 - c. the potential for future radio frequency use; and
 - d. plans and transition periods before and after the reallocation of radio frequency.
- (3) Further provisions regarding the reallocation of radio frequency are regulated in a Ministerial Regulation.

Article 8

In the event that the reallocation of radio frequency as referred to in Article 7 section (1) performed before the license for the use of Radio Frequency Spectrum ends, the new license holder for the use of Radio Frequency Spectrum is obligated repay the entire charges arising due to such reallocation of radio frequency to the previous license holder for the use of Radio Frequency Spectrum.

Part Three Refarming

Article 9

- (1) Refarming as referred to in Article 6 point b is performed by considering at least:
 - a. the availability of Radio Frequency Spectrum;
 - b. Radio Frequency Spectrum utility efficiency;
 - c. interference;
 - d. technical standards; and
 - e. service sustainability.
- (2) Refarming as referred to in section (1) is performed based on the following provisions:

- a. performed within a maximum period of 1 (one) year;
 - b. does not affect the validity period of Radio Frequency Spectrum license;
 - c. does not add or reduce the number of Radio Frequency Bandwidth owned by the license holder for the use of Radio Frequency Spectrum; and
 - d. could change the amount of Spectrum Fee.
- (3) Further provisions regarding the technical guidelines for Refarming are stipulated in a Ministerial Decision.

Article 10

The entire charges arising due to the conduct of Refarming are borne by the license holder for the use of Radio Frequency Spectrum.

Part Four

Migration

Article 11

- (1) Migration as referred to in Article 6 point c is performed by considering at least:
 - a. service sustainability; and
 - b. ecosystem maturity.
- (2) License holder for the use of Radio Frequency Spectrum imposed with the Migration provision as referred to in Article 6 point c is only charged with Spectrum Fee on one of the Radio Frequency Bands until the Migration process is completed.
- (3) Designation of Radio Frequency Bands imposed with Spectrum Fee as referred to in section (2) is stipulated in a Ministerial Decision.
- (4) Technical provisions on Migration are stipulated in a Ministerial Decision.

Part Five
Assignment of Radio Frequency Bands

Article 12

Assignment of Radio Frequency Bands as referred to in Article 6 point d is performed on Radio Frequency Bands that have no license holder for the use of Radio Frequency Spectrum.

Article 13

Radio Frequency Bands that have no license holder for the use of Radio Frequency Spectrum as referred to in Article 12 and Radio Frequency Bands which amount of availability is less than the number of requests or requirements, the assignment of Radio Frequency Bands is carried out in accordance with the provisions of the legislation.

Article 14

- (1) In the event that the interested parties for the use of Radio Frequency Bands are less than the availability of Radio Frequency Bands, the assignment of Radio Frequency Bands is performed based on request.
- (2) The Minister stipulates the assessment criteria on the request as referred to in section (1).
- (3) The Minister conducts assessment on the request as referred to in section (1).
- (4) The interested party that fails to fulfill the assessment criteria stipulated by the Minister as referred to in section (2) is declared to be rejected.

Part Six
Reassignment of Radio Frequency Bands

Article 15

- (1) Reassignment of Radio Frequency Bands as referred to in Article 6 point e is performed to change the bandwidth of Radio Frequency Bands that has been assigned to license holder for the use of Radio Frequency Spectrum and/or IPFR service area.

- (2) Reassignment of Radio Frequency Bands as referred to in section (1) is performed by taking into account:
 - a. the efficiency of Telecommunication industry;
 - b. utility of the use of Radio Frequency Spectrum;
 - c. Government plan in the use of Radio Frequency Spectrum; and/or
 - d. the existence of radio frequency that are not used.
- (3) Reassignment of Radio Frequency Bands as referred to in section (1) does not change the validity period of Radio Frequency Spectrum license.
- (4) Technical provisions regarding the reassignment of Radio Frequency Bands are stipulated in a Ministerial Decision.

Part Seven

Rejection or Approval for IPFR Renewal

Article 16

- (1) Rejection or approval for IPFR renewal as referred to in Article 6 point f is performed for IPFR which validity period is coming to an end.
- (2) Rejection or approval for IPFR renewal as referred to in section (1) is performed in accordance with the provisions on online single submission for communications and informatics sector.
- (3) In addition to the provision as referred to in section (2), rejection or approval for IPFR renewal is also based on evaluation result during pre-optimization stage as referred to in Article 4 section (1).

Part Eight

Re-evaluation on Spectrum Fee

Article 17

- (1) Re-evaluation on Spectrum Fee as referred to in Article 6 point g is performed to adjust the amount of Spectrum Fee.
- (2) The adjustment of the amount of Spectrum Fee as referred to in section (1) is performed by taking into account:

- a. simplification on licensing for the use of Radio Frequency Spectrum;
 - b. utility improvement on the use of Radio Frequency Spectrum;
 - c. technological change on the use of Radio Frequency Spectrum;
 - d. economy value on the use of Radio Frequency Spectrum;
 - e. the condition of the license holder for the use of Radio Frequency Spectrum; and/or
 - f. interest of the country.
- (3) The adjustment of the amount of Spectrum Fee is performed on components in the formula calculation of Spectrum Fee for IPFR and Spectrum Fee for ISR.
- (4) The adjustment of the amount of Spectrum Fee as referred to in section (1) is performed in accordance with the provisions of the legislation.

Part Nine

Re-evaluation on the Use of Technology

Article 18

- (1) Re-evaluation on the use of technology as referred to in Article 6 point h is aimed to:
- a. increase the efficiency of the use of Radio Frequency Spectrum;
 - b. encourage technological development and innovation;
 - c. support the development of sustainable domestic industries; and
 - d. create a healthy competition climate.
- (2) Re-evaluation on the use of technology as referred to in section (1) is performed by taking into account at least:
- a. technology maturity;
 - b. ecosystem of the industry;
 - c. technology user; and
 - d. the potential of harmful interference existence.

- (3) The change on the use of technology as referred to in section (2) is stipulated in a Ministerial Decision.

Part Ten

Changes for Imposing the License Form for the Use of Radio Frequency Spectrum

Article 19

- (1) Changes for imposing the license form for the use of Radio Frequency Spectrum as referred to in Article 6 point i are performed in order to adjust the license form of Radio Frequency Spectrum in line with the development of the use of Radio Frequency Spectrum.
- (2) Changes for imposing the license form for the use of Radio Frequency Spectrum as referred to in section (1) are performed by taking into account:
 - a. previous licensing condition;
 - b. remaining licensing period;
 - c. amount of Spectrum Fee; and
 - d. transitional period.
- (3) Further provisions regarding the changes for imposing the license form for the use of Radio Frequency Spectrum are stipulated in a Ministerial Decision.

Part Eleven

Technical Action

Article 20

- (1) Technical Action as referred to in Article 6 point j is performed in order to:
 - a. prevent or overcome harmful interference; and
 - b. maintain quality of service for the public.
- (2) Technical Action as referred to in section (1) is in the form of:
 - a. coordination procedure;
 - b. implementation of guardband; and/or
 - c. implementation of spectrum emission mask.

- (3) Further provisions regarding Technical Action are stipulated in a Ministerial Decision.

CHAPTER IV OPTIMIZATION EVALUATION

Article 21

- (1) Optimization evaluation as referred to in Article 3 point c is performed in order to assess the success of optimization implementation.
- (2) Optimization evaluation is performed by comparing the condition before Optimization with the condition after the Optimization.

Article 22

Further provisions regarding the procedure of optimization evaluation as referred to in Article 21 are stipulated in a Decision of the Director General.

CHAPTER V REPORT ON THE USE OF RADIO FREQUENCY SPECTRUM

Article 23

- (1) Holder of IPFR is obligated to submit report on the use of Radio Frequency Bands regularly for the current year during the validity of the license period.
- (2) The report on the use of Radio Frequency Bands as referred to in section (1) at least consists of:
 - a. number and distribution of site or base transceiver station (BTS);
 - b. number and distribution of traffic per service, per technology, and per radio frequency;
 - c. use of technology;
 - d. number, distribution, and type of user device per technology;
 - e. financial report; and
 - f. financial performance in the form of revenue, capital expenditure, and operational expenditure.

- (3) Report on the use of Radio Frequency Bands as referred to in section (2) is used on performing evaluation during the pre-optimization stage as referred to in Article 4.

Article 24

In the event that the Holder of IPFR fails to submit or late in submitting the report on the use of Radio Frequency Bands as referred to in Article 23, he or she will be imposed with administrative sanction in the form of being:

- a. unable to join the process of assignment for Radio Frequency Bands;
- b. announced on the website of the Ministry of Communications and Informatics; and/or
- c. unable to request for addition in the use of Radio Frequency Channel.

Article 25

In the event that the Holder of IPFR as referred to in Article 24 has submitted the report on the use of Radio Frequency Bands as referred to in Article 23, the imposition on administrative sanction is revoked.

CHAPTER VI

SUPERVISION AND CONTROL

Article 26

The Director General performs supervision and control on the implementation of this Ministerial Regulation.

CHAPTER VII

CLOSING PROVISIONS

Article 27

This Ministerial Regulation comes into force on the date of its promulgation.

In order that every person may know hereof, it is ordered to promulgate this Ministerial Regulation by its placement in the State Bulletin of the Republic of Indonesia.

Issued in Jakarta
on 28 June 2019

MINISTER OF COMMUNICATIONS AND
INFORMATICS OF THE REPUBLIC OF
INDONESIA,

signed

RUDIANTARA

Promulgated in Jakarta
on 31 July 2019

DIRECTOR GENERAL OF LEGISLATION
OF MINISTRY OF LAW AND HUMAN RIGHTS
OF THE REPUBLIC OF INDONESIA,

signed

WIDODO EKATJAHJANA

STATE BULLETIN OF THE REPUBLIC OF INDONESIA OF 2019 NUMBER 787

Jakarta, 1 August 2022

Has been translated as an Official Translation
on behalf of Minister of Law and Human Rights
of the Republic of Indonesia

DIRECTOR GENERAL OF LEGISLATION AD INTERIM,

DHAHANA PUTRA

