

NEWSLETTER

By : Tika Ramayanti / Bagas Ananta

COVID-19 AND THE IMPLICATIONS TO THE BUSINESS OPERATION AND EMPLOYMENT IN INDONESIA

To responding the World Health Organization (WHO) statement on 11 March 2020 that declared the Corona Virus Disease 19 (“**COVID-19**”) as a global pandemic, Indonesian Government, through National Disaster Management Board (*Badan Nasional Penanggulangan Bencana*), has issued a statement that currently Indonesia is in a state of an emergency outbreak situation with regard to the spread of COVID-19 within Indonesia’s territory.

To avoid the widespread of COVID-19 in Indonesia, the Government has implemented various measures by issuing several regulations and circular letters, one of which is the Circular Letter of Ministry of Manpower No. M/3/HK.04/III/2020 concerning Employees/Labor Protection and Business Continuity in the context of Deterrence and Prevention of COVID-19 which was issued on 17 March 2020 (“**Letter No. 4**”). The Letter No. 4 is addressed to all Governors in Indonesia, which instructs the governor to:

1. Prevent the spreading of COVID-19 in the workplace for the business sustainability and employees safety by urging the employers to:
 - a. implement a work safety and a health management system aimed at creating a safe, efficient and productive work place; and
 - b. prepare preventive measures in relation to the COVID-19 in order to reduce the risk of infection in the workplace and maintain business continuity.
2. Protect the salary of the employees as a result of the spread of Covid-19 pandemic.

As Jakarta is the country’s epicenter of the Covid-19 outbreak in Indonesia, Jakarta’s government agencies have urged the employers to exercise some preventive measures mandated by the Jakarta Province of Manpower, Transmigration, and Energy Agency Circular Letter No. 14/SE/2020 the Year 2020 on Encouragement to From Home (“**Circular Letter No. 14**”), which was further reinforced by the Governor of Jakarta Province Exclamation No. 6 of 2020 on Temporary Suspension to Office Activities to prevent the spread of COVID-19 (“**Governor Exclamation No. 6**”).

The following are the actions that can be implemented by the companies or employers in Jakarta based on the Circular Letter No. 14 and Governor Exclamation No. 6:

1. The company/employer to involve the employees in determining the preventive measures;
2. Carry out all the work related to the company's business operations from home;

3. The company may temporarily stop all of the business activities or reduce some of its business operations if working from home is impossible to be performed.

Subsequently, the employer or the company domiciled in Jakarta are expected to submit a report to the Manpower, Transmigration, and Energy local office after such preventive measures are being implemented. The application of “work from home” activities does not apply to the business activities that are directly related to health services, basic needs suppliers, and fuel providers, in which such business activities shall keep continuing their operation during this situation to support the communities.

As such policies would not relieve the employer in paying the salary, if you have any queries or would like us to assist you with any aspects of compliance with the Indonesian law and regulations related to COVID-19, please feel free to contact us. We will provide the best approach to deal with the issues by assessing case-by-case at hand.

If you have any queries or would like us to assist you with any aspects of the impacts of COVID-19, please feel free to send your queries through info@yangandco.com.