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Foreigners who intend to work in Indonesia generally must possess a sufficient knowledge of Bahasa Indonesia in order to satisfy the Minister of Manpower Regulation Number 12 of 2013 on Procedure for Utilization of Foreign Employees (MoM Regulation 12/2013). The obligation to speak Bahasa Indonesia is stricter stipulated in the Government Regulation Number 57 of 2014 on Development, Guidance, and Protection as well as Improvement of the Function of Bahasa Indonesia (GR 57/2014), under which foreigners should meet the required standard proficiency of Bahasa Indonesia. How the standard is set would be relied on the stipulation of the Minister of Manpower. If a foreigner cannot meet the required standard, then he/she must attend a class to achieve the required standard of Bahasa Indonesia proficiency.

Although pursuant to Article 26 paragraph (2) of MoM Regulation 12/2013 the position of director and commissioner have been exempted from the obligation to speak Bahasa Indonesia, the fact that in terms of hierarchy GR 57/2014 is superior to MoM Regulation 12/013, has been inflicting confusion to foreigners as they are now questioning whether they need to meet the required standard of Bahasa Indonesia proficiency. One argument that is often posed to support such exception is the fact that many of them are not living in Indonesia during their position as director and commissioner. Another argument is that they represent the interest of the shareholders. This is also the reason why they are exempted from the mandatory transfer of knowledge.

Despite of the ongoing debate on the issue, the intention to make Bahasa Indonesia the official language of ASEAN might reflect the standing of the Indonesian Government. Upon the coming ASEAN Economic Community, the Indonesian Government is likely to require every foreigner to master Bahasa Indonesia before they are able to work in Indonesia by requiring them to achieve the standard of Bahasa Indonesia proficiency.

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http://indonesien.ahk.de/fileadmin/ahk_indonesien/Bilder/Corporate_services/NL_Law_Taxes/Law_Taxes_June_2015.pdf

