Regulation Summary- January 2026

General Corporate

1. **Regulation of the Head of the Nusantara Capital City Authority No. 1 of 2026 on Procedures for Licensing Supervision in Nusantara Capital City**

Enforcement Date: 15 January 2026

Summary:

- In essence, this new framework sets out procedures for the supervision of various licenses that apply within the Capital City of Nusantara (*Ibu Kota Nusantara* – "**IKN**"). The following areas are set to be supervised: 1) Risk-based business permits (*Perizinan Berusaha Berbasis Risiko* – "**PBBR**"), which will be subject to both routine and incidental supervisions; 2) Non-commercial permits, which will be subject to annual or semesterly supervisions; and 3) Non-permit approvals (which will be supervised in line with the procedures that apply to non-commercial permits).
- Moreover, in terms of PBBR-related violations, this Regulation also affirms that administrative sanctions will be imposed upon any business actors that fail to comply with their PBBR obligations and/or that fail to submit mandatory investment activity reports (*Laporan Kegiatan Penanaman Modal*/LKPM). The aforementioned sanctions range from written reprimands to administrative fines to the revocation of issued permits.

Banking

2. **Regulation of the Deposit Insurance Corporation No. 2 of 2025 on the Second Amendment to Regulation of the Deposit Insurance Corporation No. 4 of 2019 on the Recording of Transactions and Financial Reporting by Banks Undergoing Liquidation**

Enforcement Date: 31 December 2025

Summary:

- The Second Amendment has now revised the regulatory framework that governs the recording of transactions and financial reporting by banks undergoing processes of liquidation. The primary objective of this new framework is to enhance the overall governance and accountability of liquidation teams during the drawing up of financial liquidation statements, specifically Reports on Net Assets at the Start of a Period of Liquidation ("**Initial Reports**"), Reports on Changes in Net Assets During a Period of Liquidation ("**Periodic Reports**"), Reports on Net Assets at the End of a Period of Liquidation ("**Final Reports**") and Notes Relating to Financial Statements.
- In terms of Periodic Reports, the Second Amendment has now introduced an audit requirement that is based on total deposits. In this regard, any banks with total deposits that amount to at least Rp. 200 billion will continue to be subject to mandatory annual audits that should be undertaken by public accounting firms (*Kantor Akuntan Publik*/KAP). Meanwhile, any banks with total deposits below the Rp. 200 billion threshold will only be required to submit Periodic Reports to the Indonesia Deposit Insurance Corporation (*Lembaga Penjamin Simpanan* – "**LPS**") for approval, without the need for mandatory audits to be completed.
- The Second Amendment has also revised several reporting timelines and related procedural requirements. These revisions include the following: 1) Initial Reports must be approved by LPS within 10 business days of it taking receipt of any such audited Initial Report before said report is subsequently announced within the pages of a widely circulated, local, daily newspaper during the following seven business days; and 2) Final Reports must be submitted within 10 business days of the conclusion of any liquidation processes and should subsequently be approved by LPS within 10 business days of it taking receipt of any such audited Final Report.

3. Regulation of the Board of Commissioners of the Financial Services Authority No. 42/PADK.03/2025 of 2025 on Written Orders for the Handling of Banking Problems Through Mergers, Consolidations, Acquisitions, Integrations and/or Conversions

Enforcement Date: 16 December 2025

Summary:

- This new Regulation establishes a framework for the issuance of written orders by the Financial Services Authority (*Otoritas Jasa Keuangan* – "**OJK**") in order to resolve banking issues through the initiation of mergers, consolidations, acquisitions, integrations and/or conversions (*Penggabungan, Peleburan, Pengambilalihan, Integrasi, dan Konversi Bank Umum* – "**P3IK**"). Banks that are designated to implement P3IK must fulfill the following criteria: 1) Must be experiencing financial problems that have the potential to disrupt their business continuity and/or are deemed unable to withstand the pressures they are currently facing; and/or 2) Must have controlling shareholders who lack adequate capabilities, fail to fulfill

their commitments and/or fail to implement OJK instructions regarding the handling of banking problems, such as increasing or maintaining bank liquidity and fulfilling capital requirements.

- In order to facilitate a rapid resolution, this new framework introduces various procedural relaxations, such as allowing fit-and-proper testing to be conducted via video conferencing, permitting public announcements to be made via bank websites instead of through full newspaper spreads and providing exemptions in relation to single-presence policies or shareholding limits. Despite these relaxations, the new Regulation remains strictly enforceable, while banks must submit detailed action plans and progress reports. Furthermore, any banks that intentionally ignore or hinder these orders face sanctions that will be imposed in accordance with OJK Regulations.

4. Regulation of the Board of Commissioners of the Financial Services Authority No. 43/PADK.03/2025 on the Organization of Information Technology by Rural Banks and Sharia Rural Banks

Enforcement Date: 17 December 2026

Summary:

- As detailed under its Appendices, this new Regulation addresses the organization of information technology ("**IT**") by both rural banks and sharia rural banks (collectively referred to as "**Banks**") and covers the following areas: 1) Provisions on the organization of IT; 2) Implementation of IT governance, policies and procedures; 3) IT risk management; 4) Guidelines on cyber resilience and security; 5) Data management and personal data protection; and 6) The formatting of IT implementation reports.
- In order to implement proper IT governance, Banks are required to take various factors into account, including business strategies and objectives, business scales and complexities, as well as nationally and internationally applicable practices and standards. Additionally, whenever formulating IT policies and procedures, Banks are required to refer to their IT implementation strategies, which should encompass IT development and procurement plans, as well as plans for the development of human resources.
- Meanwhile, the following eight aspects must be reflected in IT policies and procedures at the least: 1) The authorities and responsibilities of boards of directors, boards of commissioners, work units and personnel responsible for the implementation of IT; 2) Development and procurements; 3) IT operations; 4) Communications networks; 5) Information security; 6) Disaster recovery planning; 7) Internal IT audits; and 8) Utilization of IT service providers.

Capital Market

5. Regulation of the Minister of Finance No. 107 of 2025 on the Amendment to Regulation of the Minister of Finance No. 224/PMK.08/2021 on the Sale and Repurchase of State Sharia Securities in Foreign Currencies Through the International Market

Enforcement Date: 31 December 2025

Summary:

- This Regulation has now amended and updated Regulation No. 224/PMK.08/2021 by revising the structure and selection mechanism that apply to supporting parties during international State Sharia Securities (*Surat Berharga Syariah Negara* - "**SBSN**") transactions. Key changes include the replacement of the Procurement Committee with the Selection Working Group (*Kelompok Kerja Pemilihan*), which will now be responsible for the selection of the panel, legal consultants panel, selling agents, buying/exchange agent and legal consultants, a move which should hopefully enhance effectiveness, governance and transparency of relevant processes.
- The amended agent appointment mechanism is now based on panel performance evaluations. Meanwhile, appointments of selling agents or buying/exchange agents who will engage in subsequent transactions during the same panel period will no longer involve any re-selection process. Instead, said appointments will be determined based on the ranking results of evaluations of the panel's fulfillment of various obligations, making performance and compliance the primary factors for all such subsequent appointments.
- The strengthening of panel obligations, periodic evaluations and service fee arrangements are the overall goals of this new framework. In this regard, the Regulation introduces various periodic reporting obligations that apply to the panel and legal consultant panel, as well as regular and annual evaluations, which will be undertaken by the selection working group as the basis for the continuation of panel membership. Meanwhile, the new framework also features explicit provisions that address the use of Owners' Estimates (*Harga Perkiraan Sendiri* – "**HPS**") as guidelines for negotiations and determinations of service fees by the Budget User Authority (*Kuasa Pengguna Anggaran* – "**KPA**"), with panel membership being limited to a maximum term of three years.

6. Regulation of the Financial Services Authority No. 40 of 2025 on the Use of Proceeds from Public Offerings

Enforcement Date: 22 June 2026

Summary:

- While the previous framework of Regulation of the Financial Services Authority (*Otoritas Jasa Keuangan* – "**OJK**") No. 30/POJK.04/2015 ("**Regulation 30/2015**") focused specifically on various procedures for the submission of reports on the realization of the use of funds (*Laporan Realisasi Penggunaan Dana* – "**LRPD**"), this Regulation now has now broadened the scope of this framework to include the actual use of proceeds themselves, including the overall quality of corporate governance and alignment with information contained within documents that address issuers and also set out other information related to public offerings ("**Prospectuses**"). Furthermore, this Regulation has also expanded the scope of the various types of securities that can be sold through public offerings to include digital securities and digital investment contracts.
- Although no significant changes have been introduced to the core LRPD drafting and submission procedures that originally featured under Regulation 30/2015, the new framework has now clarified that in addition to being submitted to the OJK, LRPD should also be made available to the general public by issuers commencing from the date of receipt of funds through public offerings until all proceeds from said public offerings have been fully realized. Moreover, the aforementioned LRPD submission obligations also apply to proceeds that result from the conversion of securities that grant the right to purchase shares at a certain time and that are attached to a public offering of shares or to debt securities that may or must be converted into shares.
- Newly featured under Regulation 30/2015, any proceeds that derive from public offerings may only be utilized in line with the following four fund utilization levels: 1) Level 1: funds are used by the issuer itself; 2) Level 2: funds are used by a subsidiary or other entity that receives the relevant public offering proceeds from the issuer; 3) Level 3: funds are used by an indirect subsidiary or other entity that receives the relevant public offering proceeds from the entity referred to in Level 2; and 4) Level 4: funds are used by an indirect subsidiary or other entity that receives the relevant public offering proceeds from the entity referred to in Level 3. In this regard, this Regulation also affirms that plans for the use of proceeds from public offerings should be set out in the relevant Prospectuses (including any changes that are introduced) and may not be specifically allocated for down payments at any of the above-outlined fund utilization levels.

7. Regulation of the Board of Commissioners of the Financial Services Authority No. 40/PADK.04/2025 on Guidelines for the Submission of Information by Issuers and Public Companies Within the Context of the Compiling of Lists of Sharia Securities and Guidelines for Parties Issuing Lists of Sharia Securities

Enforcement Date: 11 December 2025

Summary:

- This new Regulation sets out guidelines that address the submission of financial information by issuers and public companies within the context of the compiling of lists of sharia securities, as well as guidelines for parties issuing lists of sharia securities (*Pihak Penerbit Daftar Efek Syariah* - "**PPDES**") (collectively referred to as "**Guidelines**"), as further addressed under the Appendix to the Regulation. In essence, the new Guidelines require relevant issuers and public companies to submit periodic financial statements to the Financial Services Authority (*Otoritas Jasa Keuangan* - "**OJK**"), as well as to submit information to the OJK that will subsequently be used in order to compile a list of sharia securities through the OJK's Electronic Reporting System, which can be accessed via the following link: www.spe.ojk.go.id.
- Said financial information must be submitted within 30 days of the submission of any periodic financial statements. However, this obligation exempts issuers and public companies that have only recently secured effective registration statements and that are therefore not yet required to submit any periodic financial statements with respect to the compilation of the next sharia securities list. The obligation to submit this information will be deemed fulfilled once the relevant issuer or public company has received an electronic proof of receipt.
- Furthermore, the new Guidelines also address the submission of applications for approvals to conduct activities as PPDES by any parties that issue lists of foreign sharia securities. Said applications should be submitted in the form of hardcopy documents to the OJK. In addition to approval applications, the Guidelines also outline PPDES reporting mechanisms and applications for the return of PPDES approvals, as well as mechanisms for the reporting of any issues related to approval applications, reporting and the return of approvals that are submitted electronically.

8. Circular of the Board of Directors of PT Kliring Penjaminan Efek Indonesia No. SE-001/DIR/KPEI/0126 of 2026 on Clearing Service Fees for Debt Securities and Sukuk Trading Through Alternative Market Organizer Systems

Enforcement Date: 2 January 2026

Summary:

- Following the enforcement of Rule No. V-2 as the Appendix to Decree of the Board of Directors of PT Kliring Penjaminan Efek Indonesia ("**KPEI**") No. KEP-016/DIR/KPEI/1021, which requires all parties that participate in the clearing of debt securities and sukuk trading (*Efek Bersifat Utang dan Sukuk* - "**EBUS**") to pay clearing fees to KPEI of up to a maximum of 30% of the fees charged by the relevant alternative market organizer (*Penyelenggara Pasar Alternatif* - "**PPA**"), the Circular has now set the following applicable service fees for the clearing of EBUS trade: 1) Direct

quotations and/or requests for quotation transactions: transaction fee of 0.00125% of the relevant transaction value with a clearing fee of 0.000375% of the relevant transaction value; and 2) Requests for order transactions: transaction fee of Rp. 20,000 per transaction with a clearing fee of Rp. 6,000 per transaction.

- This Circular affirms that the aforementioned clearing service fees will not apply to EBUS clearing participants who are acting as transaction counterparty facilitators (i.e. counterparties acting as intermediaries through the counterparty switching mechanism).
- Ultimately, this Circular also affirms that it does not apply to EBUS clearing participants who do not confirm their KPEI-issued PPA clearing result reports (*Laporan Hasil Kliring* PPA/LHK-PPA), which results in the non-formation of the PPA EBUS trading clearing result list (*Daftar Hasil Kliring Perdagangan* EBUS PPA/DHK-PPA) within the e-BOCS PPA system.

9. Draft Regulation of the Financial Services Authority on Incidental Reporting Through the Financial Services Authority Reporting System by the Capital Market, Derivative Finance and Carbon Exchange Sectors

Enforcement Date: -

Summary:

- All reporting parties, including securities companies, supporting institutions and carbon exchange operators, are required to submit incidental reports electronically through the Financial Services Authority (*Otoritas Jasa Keuangan* – "**OJK**") Reporting System. Offline (physical) submissions are permitted solely as a contingency measure in the event that the OJK system is unavailable or is experiencing verified technical disruptions. Data integrity is treated as paramount under this new framework. In this regard, if any discrepancies emerge between a company's internal records and the OJK system database, then the data recorded in the OJK system will prevail as the legally authoritative reference.
- Administrative compliance obligations will apply from the first day of operations and require all business actors to apply for system access before the date of issuance of their business licenses, registration certificates or OJK approvals. A report will only be deemed to have been validly submitted upon successful validation by an OJK server, as evidenced through the issuance of an official electronic receipt. Any failure to comply with this procedure will constitute a reporting failure and will not be subject to any leniency.
- This Regulation also imposes rigid timelines in order to mitigate market risk. In this regard, in situations where the OJK identifies inaccuracies in submitted data, the relevant reporting parties will have a maximum of five business days in which to submit their corrections. Any non-compliance regarding any reporting deadlines, responses to data irregularities or failure to provide additional information for supervisory purposes may result in the

imposition of tiered administrative sanctions, ranging from monetary fines to permanent revocations of business licenses.

10. Draft Regulation of the Board of Commissioners of the Financial Services Authority of 2025 on Guidelines for Incidental Reporting Through the Financial Services Authority Reporting System by the Capital Market, Derivative Finance and Carbon Exchange Sectors

Enforcement Date: -

Summary:

- This Draft Regulation mandates that all reporting parties, including securities companies, capital market supporting institutions and carbon exchange operators, must submit incidental reports electronically through the OJK Reporting System. It should be noted that access to this system is no longer granted on a discretionary basis and that business actors are therefore required to apply for access before the date on which their business licenses or registration certificates are issued by the OJK. Furthermore, offline reporting is permitted solely as a contingency measure in the event of any technical system disruptions. All data stored in the system's database are categorized as being legally equivalent to hard-copy documents, thereby placing full responsibility for data integrity on reporting parties.
- Incidental reporting is not conducted on an open-format basis but must be completed in line with a strict dual-form structure. Each incidental report should feature the following types of information: 1) Form 01.00 (Primary Information), which should be prepared in text file format (.txt) in order to enable automated data processing through the system; and 2) Form 02.00 (Supporting Documents), which should be submitted in portable document format (.pdf). This structural separation will allow the OJK to conduct immediate validations of raw data while simultaneously retaining legally admissible administrative evidence.
- This new framework also sets particularly stringent timelines that will apply in critical circumstances. For example, reports on conditions that threaten business continuity must be submitted on the same day as any such conditions occur. Meanwhile, other specific types of events, such as exchange members that are experiencing financial distress or minutes of general meetings, are also subject to reporting deadlines of between one and two business days. Any late submissions or inaccurate data may only be rectified following the issuance of a formal notification by the OJK, thereby increasing the administrative burden that is placed on non-compliant reporting parties.

Employment

11. Regulation of the Government No. 50 of 2025 on Adjusted Work Accident Insurance and Life Insurance Contributions for Non-Wage Recipient Participants

Enforcement Date: 22 December 2025

Summary:

- This new framework has now revised the contributions that apply under the Work Accident Insurance (*Jaminan Kecelakaan Kerja* - "**JKK**") and Life Insurance (*Jaminan Kematian* - "**JKM**") programs. These contributions must be paid by non-wage-recipient participants who are either existing active participants or new participants who are registered as non-salaried participants under the JKK and JKM programs, including workers outside employment relationships and/or self-employed workers ("**Participants**"). This revision takes the form of contribution relief. The new Regulation further clarifies that such contribution relief amounts to 50% of the contributions that would otherwise be payable and will remain in force during the January 2026 - March 2027 period for participants working in the transportation sector (i.e. drivers and couriers), and during the April 2026 - December 2026 periods for participants working outside the transportation sector.
- This new framework also stipulates that in situations where a participant has fully paid the relevant contribution for the period now subject to the new revision and an overpayment has therefore resulted, then the excess payment will be credited toward JKK and JKM contributions for subsequent months. Conversely, if a participant has not yet settled the relevant contribution for a period prior to the adjustment, then any outstanding contribution amounts will remain payable in accordance with applicable Laws and Regulations.

12. Decree of the Minister of Manpower No. 4 of 2026 on Implementing Guidelines for 2026 National Occupational Health and Safety Month

Enforcement Date: 8 January 2026

Summary:

- Indonesia's Minister of Manpower has introduced a set of guidelines that specifically address the implementation of the 2026 National Occupational Health and Safety Standards (*Keselamatan dan Kesehatan Kerja* – "**K3**") month-long commemoration ("**2026 K3 Month**"), which runs from 12 January 2026 until 12 February 2026 across the nation on a continuous and sustainable basis.
- The guidelines for the implementation of the 2026 K3 Month ("**Guidelines**") are comprehensively outlined under the Appendix to the Decree, which are

serving as a reference for use by various parties (e.g. government institutions, educational institutions, employers, labor unions, business associations and so forth) in order to ensure the improvement of and compliance with various K3 aspects across different business sectors.
- Pursuant to the Guidelines, relevant parties may establish dedicated committees for the implementation of the 2026 K3 Month. Moreover, during the commemoration period, a number of activities will be implemented, including the following: 1) Strategic activities (e.g. planning, ceremonies, awards, the establishment of communities and so forth); 2) Promotional activities (e.g. advertising, training, campaigns and so forth); and 3) Implementing activities (e.g. inspections, guidance, audits and so forth).

13. Decree of the Minister of Manpower No. 8 of 2026 on the Revocation of Decree of the Minister of Manpower on the Sector for the Placement and Protection of Indonesian Migrant Workers

Enforcement Date: 20 January 2026

Summary:

- Following a shift in authority, the oversight of the placement and protection of Indonesian Migrant Workers (*Pekerja Migran Indonesia* – "**PMI**") now falls under the jurisdiction of the Ministry of Indonesian Migrant Workers Protection/the National Indonesian Migrant Workers Protection Agency. This Decree officially revokes a total of seven Decrees, as originally issued by the Minister of Manpower ("**Minister**"), that specifically addressed the placement and protection of PMI. The aforementioned revoked Decrees include: 1) Decree of the Minister No. 354 of 2015 on Positions That Can Be Occupied by PMI Abroad for Individual Users; 2) Decree of the Minister No. 291 of 2018 on Guidelines for the Placement and Protection of PMI in the Kingdom of Saudi Arabia Through the One-Channel Placement System; and 3) Decree of the Minister No. 270 of 2024 on Guidelines for the Verification of Application Letters for PMI in Destination Placement Countries.

Energy

14. Regulation of the Minister of Energy and Mineral Resources No. 19 of 2025 on Hybrid Power Plants

Enforcement Date: 29 December 2025

Summary:

- This Regulation establishes a legal framework for the development and operation of Hybrid Power Plants (*Pembangkit Tenaga Listrik Hibrida* - "**PLT Hibrida**") on small islands and within isolated areas. The overall goal in this regard is to ensure continuous supplies of electricity, support for the national energy mix target and greater legal certainty for small-scale independent power systems. Under this framework, PLT Hibrida are defined as power plants that combine renewable sources of energy with certain energy categories, including: 1) Renewable energy, such as photovoltaic solar power plants, wind power plants, etc.; 2) New forms of energy; 3) Battery Energy Storage Systems (BESS); and 4) Existing non-renewable sources of energy, including Diesel Power Plants (*Pembangkit Listrik Tenaga Diesel* – "**PLTD**").
- Electrical power that is generated by PLT Hibrida will be procured through direct selection processes that will be open to business entities that have registered for a place on PT Perusahaan Listrik Negara (Persero) ("**PLN**")'s pre-qualified provider list. Purchase prices will be negotiated within the bounds of ceiling prices (*harga patokan tertinggi*) and floor prices (*harga patokan terendah*), will remain fixed for the duration of any arrangement and will become effective from the relevant Commercial Operation Dates (COD). All payments must be completed in the Indonesian rupiah currency using the Jakarta Interbank Spot Dollar Rate (JISDOR) that is applicable at the time that an agreement is executed.
- This new Regulation permits the initiation of any PLT Hibrida project for which the procurement process has already been completed and an electricity purchase price has been agreed by the relevant business entity and PT PLN, but which had not yet been granted approval by the Minister of Energy and Mineral Resources prior to this Regulation coming into force. However, the agreed price in such cases must not exceed the applicable local diesel power plant Cost of Supply (*Biaya Pokok Penyediaan* – "**BPP**"). In this regard, if an agreed price is higher than the relevant local PLTD BPP, then the electricity purchase for the relevant location must be terminated.

15. Regulation of the Minister of Cooperatives No. 12 of 2025 on the Implementation of Mineral and Coal Mining Business Activities by Cooperatives

Enforcement Date: 31 December 2025

Summary:

- This Regulation sets out the legal basis on which cooperatives may now engage in mineral and coal mining business activities under various licensing schemes, including Mining Business Licenses (*Izin Usaha Pertambangan* – "**IUP**"), Special Mining Business Licenses (*Izin Usaha Pertambangan Khusus* – "**IUPK**"), Community Mining Licenses (*Izin Pertambangan Rakyat* – "**IPR**"), Rock Mining Permits (*Surat Izin Penambangan Batuan* – "**SIPB**"), as well as transportation and sales permits that cover metallic minerals, coal, certain non-metallic minerals and

rocks. Licenses may cover a maximum area of 2,500 hectares for metallic minerals and coal, and a maximum of 10 hectares for IPR.

- Various mechanisms are available for the securing of Mining License Areas (*Wilayah Izin Usaha Pertambangan* – "**WIUP**") and administrative verifications. WIUP for metallic minerals or coal may be secured either through priority allocations without auction or through auction processes. Meanwhile, all applications for WIUP should be submitted through the Online Single Submission ("**OSS**") system, while the issuance of Administrative Verification Clearance Letters (*Surat Lolos Verifikasi Administratif* – "**SLVA**") by the Minister of Cooperatives will subsequently become the basis for further technical verifications, as undertaken by the ministry responsible for the relevant mining affairs.
- In addition, various institutional and governance requirements now apply to cooperatives. In this regard, cooperatives are required to have secured Business Identification Numbers (*Nomor Induk Berusaha* – "**NIB**") under a mining-related KBLI classification, must have domiciles and membership coverage that correspond to the relevant mining locations, must establish managerial structures and standard operating procedures for business management, must maintain financial and operational recording systems, and must secure approvals via members' meetings. Furthermore, partnerships are also permitted through written agreements and in accordance with applicable Laws and Regulations.

16. Regulation of the Minister of Energy and Mineral Resources No. 1 of 2026 on Energy Conservation Service Businesses

Enforcement Date: 8 January 2026

Summary:

- As part of initiatives aimed at the preservation of domestic energy resources ("**Energy Conservation**"), Energy Conservation service businesses ("**Conservation Services**") may be organized by business entities that take the form of legal entities, as well as by public service agencies (*Badan Layanan Umum*/BLU) and technical implementation units (*Unit Pelaksana Teknis*/UPT) working under government ministries or agencies. These Conservation Services can be offered to several types of users, including: 1) Energy providers (i.e. business entities that engage in the provision of energy); 2) Energy source users (i.e. governments, business entities and members of the general public who utilize energy sources); and 3) Energy users (i.e. governments, business entities and members of the general public who utilize energy).
- Generally speaking, this new Regulation addresses a total of five types of Conservation Services, which break down as follows: 1) Implementation of Investment Grade Energy Audits (IGEA); 2) Financing of single or series of Energy Efficiency initiatives that are initiated as a part of the systems, facilities and processes of Conservation Service users ("**Energy Efficiency Projects**"); 3) Implementation of installation work and/or construction, as

well as the monitoring and supervision of Energy Efficiency Projects; 4) Operation, maintenance and repair of energy installations; and 5) Measurement and verification of energy performance. This Regulation also affirms that the above-outlined Conservation Services may be implemented based on six business models that can be applied to Energy Efficiency Projects, which include: 1) Guaranteed savings; 2) Shared savings; 3) Build, operate and transfer (BOT); 4) Build, operate and own (BOO); and 5) Energy as a service (EaaS).
- In addition to requiring providers of Conservation Services to share the results of their Conservation Service activities with relevant users, said providers are also required to draft and submit the following types of reports: 1) Initial reports; 2) Expansion of business activities reports (if a Conservation Service provider expands their business activities); and 3) Business implementation reports. Any failure to comply with any of these reporting obligations may result in the imposition of administrative sanctions.

Environment

17. Regulation of the Head of the Nusantara Capital City Authority No. 17 of 2025 on Environmental Protection and Management in Nusantara Capital City

Enforcement Date: 31 December 2025

Summary:

- As its title suggests, this Regulation is now serving as an umbrella framework on environmental protection and management for the Capital City of Nusantara (*Ibu Kota Nusantara* – "**IKN**") area. In essence, the aforementioned environmental protection and management efforts are set to be organized in eight phases (which include planning, utilization, control and maintenance, as well as applicable rights, obligations and prohibitions) across a total of six areas, including: 1) Quality of water and sea water; 2) Air quality; 3) Function of green areas; 4) Condition of surface terrestrial landscapes; and 5) Climate change.
- This Regulation affirms that any utilization of natural resources that takes place within the IKN area should be carried out in line with the official Environmental Protection and Management Plan (*Rencana Pelindungan dan Pengelolaan Lingkungan Hidup* – "**RPPLH**"). In this regard, the RPPLH will be stipulated by the Head of the IKN Authority and will be reviewed every five years at the least.
- Any proposed business activity and/or project that is initiated within the IKN area and that will result in either a significant or insignificant environmental impact must be covered by an environmental approval issued by the IKN

Authority. The securing of said approvals constitutes a requirement for the securing of relevant business permits or government approvals. These environmental approvals may take the following forms: 1) Environmental Impact Assessment (*Analisis Mengenai Dampak Lingkungan Hidup* – "**Amdal**"); 2) Environmental Management Efforts and Environmental Monitoring Efforts (*Upaya Pengelolaan Lingkungan Hidup dan Upaya Pemantauan Lingkungan Hidup*– "**UKL-UPL**"); and 3) Ability to Manage and Monitor the Environment (*Surat Pernyataan Kesanggupan Pengelolaan dan Pemantauan Lingkungan Hidup* – "**SPPL**").

- Any parties responsible for businesses and/or activities that take place within the IKN area but that violate any of the obligations that are set out under their business permits or approvals associated with the abovementioned environmental approvals will be subject to the imposition of administrative sanctions, including written reprimands, administrative fines and revocations of issued business permits.

General Financial Services

18. Regulation of the Coordinating Minister for Economic Affairs No. 1 of 2026 on Guidelines for the Implementation of the Community Business Credit Program

Enforcement Date: 13 January 2026

Summary:

- Upon entering into force, this Regulation officially repealed and replaced Regulation of the Coordinating Minister for Economic Affairs ("**Minister**") No. 1 of 2022, as amended several times, most recently by Regulation of the Minister No. 12 of 2025 (collectively referred to as "**Regulation 1/2022**"), as the framework that governs the mechanism and procedures for the implementation of the Community Business Credit (*Kredit Usaha Rakyat* – "**KUR**") program.
- While the previous framework of Regulation 1/2022 stated that all micro-, small- and medium-scale enterprises (*Usaha Mikro, Kecil dan Menengah* - "**UMKM**") are entitled to secure credit through the KUR program, this Regulation now clarifies that KUR is specifically designated for micro- and small-scale enterprises (*Usaha Mikro dan Kecil* - "**UMK**"), along with Indonesian migrant workers and candidate internship participants who are planning to work abroad.
- This new Regulation also clarifies that the aforementioned UMK are defined as entities with turnovers of no more than Rp. 4.8 billion during the previous year or as estimated for the current year. Moreover, any businesses wishing to secure KUR must also engage in cooperation with business partners that take the form of offtakers and that also fulfill various requirements (e.g. must

be a legal entity, must operate within a business sector that is relevant to the KUR recipient and must operate electronic systems that are integrated in a closed-loop manner into the KUR distributor's system).

- Although the KUR interest or margin rate range of between 6% and 9% for UMK, as originally outlined under Regulation 1/2022, has been retained, this Regulation now affirms that said interest or margin rates will apply to KUR recipients with non-export trade orientations. Meanwhile, the Regulation has now introduced a flat 6% KUR interest or margin rate for KUR recipients operating within manufacturing and export-oriented sectors.
- It should also be noted that this new framework now sets no limitations on the frequency of agreements and cumulative loan drawdowns for the aforementioned KUR recipients operating within manufacturing and export-oriented sectors. However, KUR recipients of a non-export orientation have been limited to a maximum of two agreements in relation to their KUR disbursements.

19. Regulation of the Supreme Court No. 4 of 2025 on Procedures for the Adjudication of Lawsuits Filed by the Financial Services Authority as a Consumer Protection Measure

Enforcement Date: 30 December 2025

Summary:

- This Regulation has now closed an existing procedural gap through the establishment of a comprehensive set of rules that address the filing, examination, adjudication and enforcement of consumer protection lawsuits that are initiated by the Financial Services Authority (*Otoritas Jasa Keuangan* – "**OJK**") in order to recover the assets of and secure compensation for injured consumers. Said lawsuits may be brought against Financial Services Business Actors (*Pelaku Usaha Jasa Keuangan* – "**PUJK**") that currently hold or have previously held OJK licenses, as well as other parties who are alleged to have acted in bad faith. Meanwhile, jurisdiction over such cases has been allocated to the Commercial Court for PUJK that operate in line with conventional principles and to the Religious Court for PUJK that operate in line with sharia principles.
- This new framework also sets out comprehensive procedural requirements for the submission of consumer protection lawsuits by the OJK, including the obligation to first undertake supervisory actions in relation to relevant PUJK and to publicly announce a list of consumers that will be included as claimants, together with their right to opt out within a specified period. Consumers who choose to opt out may subsequently pursue individual civil claims, however, any Consumers who do not opt out will be barred from filing separate lawsuits in relation to the same losses. The new Regulation also addresses the issue of jurisdiction, as well as the applicable filing mechanism, and requires electronic submissions to be made to a competent court based on a defendant's place of domicile.

- The new framework has also introduced a streamlined trial process that now requires courts to render decisions within 60 days of any first hearings, regardless of any challenges that are made in relation to OJK supervisions or the existence of any parallel criminal proceedings. This Regulation also authorizes the OJK to apply for provisional and execution attachments in relation to defendants' assets through prevailing civil procedural law in order to secure and satisfy relevant payment obligations. Meanwhile, the available legal remedies have been limited to cassation, subject to strict filing deadlines and accelerated adjudication by the Supreme Court.

20. Regulation of the Board of Commissioners of the Financial Services Authority No. 44/PADK.01/2025 on Procedures for the Utilization of Supporting Professionals Within the Financial Services Sector

Enforcement Date: 3 March 2026

Summary:

- This Regulation further details the applicable procedures for the utilization of supporting professionals within the financial services sector ("**Supporting Professionals**"). These procedures were originally stipulated under Regulation of the Financial Services Authority (*Otoritas Jasa Keuangan* – "**OJK**") No. 5 of 2025. Under its Appendices, this new framework comprehensively outlines the following aspects associated with Supporting Professionals: 1) Administration and management of Supporting Professionals; 2) Professional education programs; 3) Continuous Professional Development (*Pendidikan Profesional Berkelanjutan* – "**PPL**"); 4) Submission of periodic activity reports by Supporting Professionals; and 5) Restrictions on the provision of services.
- Under this Regulation, any professionals that meet the definition of Supporting Professionals (i.e. public accountants, actuarial consultants, public appraisers, notaries and legal consultants) are required to complete professional education programs as a prerequisite for their OJK registrations and must also participate in annual PPL programs. These professional education and PPL programs must be organized in line with set curricula or credit systems that are developed by the relevant organizers. Participation in PPL programs is compulsory for all Supporting Professionals who have already registered with the OJK, while said participation should be initiated during the year following the issuance of their registration certificates.
- This Regulation also prohibits public appraisers who operate within certain sectors from providing any professional valuation services to the same party more than three consecutive times. The sectors to which this rule applies include: 1) Capital market; 2) Financial derivatives; 3) Carbon exchange; 4) Insurance; and 5) Financing institutions. However, a public appraiser may accept a subsequent professional valuation engagement from the same party after a period of one year or one financial year has elapsed during

which no professional valuation engagement is carried out for the appraiser by said party (as calculated from the date of the last valuation report).

Land & Property

21. Regulation of the Minister of Housing and Settlement Areas No. 18 of 2025 on Business Activity Standards, Supervision and the Imposition of Sanctions Relating to the Organization of Risk-Based Business Licensing Within the Housing Sector

Enforcement Date: 31 December 2025

Summary:

- Business activity standards for and the various obligations of business actors operating within the housing-sector under risk-based business licenses have been set and will now apply to business activities that have been classified under Indonesian Standard Industrial Classification (*Klasifikasi Baku Lapangan Usaha Indonesia*/KBLI) Code 68111 on owned or leased real estate. These activities have been classified under four business scales, specifically micro-, small-, medium- and large-scale enterprises, while business licenses will be issued through the Online Single Submission (OSS) system based on determined levels of business risk. Whenever developing housing, business actors are required to comply with a specific set of obligations, including the obligation to secure a Suitability of Spatial Utilization Activities (*Kesesuaian Kegiatan Pemanfaatan Ruang*/KKPR) document, as well as secure a written approval decision from the relevant regional government, secure an official acknowledgment of report receipt and fulfil various investment activity reporting requirements.
- ·The government's obligations and supervision regime has been assigned for enforcement by regional governments through relevant regional apparatuses, particularly the issuance of written approval decisions and acknowledgment of report receipts. These documents will be issued through an obligation fulfillment mechanism following the completion of document assessments, field inspections and verifications of the completeness of documents. In addition, routine and incidental supervisions have also been mandated and may be conducted by ministries, institutions, agencies and regional governments in accordance with their respective authorities.
- Various administrative sanctions have also now been set and will be imposed upon any business actors who are discovered, based on the results of supervisions, to lack required business licenses or to have violated business licensing provisions. Said sanctions comprise written reprimands, temporary suspensions of business activities, and suspensions

and revocations of business licenses, and may be imposed on a progressive and/or non-progressive basis.

Manufacturing & Industry

22. Regulation of the Director-General of Metal, Machinery, Transportation Equipment and Electronics Industries No. 6 of 2025 on Detailed Specifications for Main Components of Goods in the Metal, Machinery, Transportation Equipment and Electronics Industry Sector for Calculations of Domestic Component Level Values

Enforcement Date: 12 December 2025

Summary:

- This Regulation stipulates the specifications of main components (i.e. essential parts or elements that form, determine and influence the function, quality and characteristics of a product) in order to complete calculations of domestic component levels (*Tingkat Komponen Dalam Negeri* – "**TKDN**") for industries that operate within the metal, machinery, transportation equipment and electronics industry sectors. The aforementioned detailed specifications of main components should be used by small-scale, medium-scale and/or large-scale industrial business actors and will be subject to annual reviews (or reviews that will be conducted at any time required).
- The relevant main components are outlined comprehensively under the Appendix to this Regulation, which broadly applies to the following industries: 1) Metal industrial sector (20 industries); 2) Machinery and agricultural machinery industrial sector (15 industries); 3) Maritime, transportation and defence industrial sector (seven industries); 4) Telematic electronic industrial sector (12 industries).

23. Regulation of the Director-General of Chemical, Pharmaceutical and Textile Industries No. 3 of 2025 on Detailed Specifications for the Main Components of Goods Within the Chemical, Pharmaceutical and Textile Industry Sector for Calculations of Domestic Component Level Values

Enforcement Date: 12 December 2025

Summary:

- This Regulation stipulates the various specifications of main components (i.e. essential parts or elements that form, determine and influence the function, quality and characteristics of products) in order to complete calculations of domestic component levels (*Tingkat Komponen Dalam Negeri* – "**TKDN**") for industries that operate within the chemical, pharmaceutical and textile industry sectors. The aforementioned detailed specifications of main components should be used by small-scale, medium-scale and/or large-scale industrial business actors and will be subject to annual reviews (or reviews that will be conducted at any time deemed necessary).
- The relevant main components and industries are outlined comprehensively under the Appendix to this Regulation and broadly break down as follows: 1) Upstream chemical industrial sector: 151 main components are outlined; 2) Downstream chemical and pharmaceutical industry sectors: 33 main components are outlined; 3) Cement, ceramics and non-metal mining material processing industrial sectors: 33 main components are outlined; and 4) Textile, leather and footwear industrial sectors: 23 main components are outlined.

24. Regulation of the Director-General of Small, Medium and Miscellaneous Industries No. 263 of 2025 on Detailed Specifications for the Main Components of Goods Within the Small, Medium and Miscellaneous Industry Sector for Calculations of Domestic Component Level Values

Enforcement Date: 12 December 2025

Summary:

- This Regulation stipulates the specifications of main components (i.e. essential parts or elements that form, determine and influence the function, quality and characteristics of a product) in order to complete calculations of domestic component levels (*Tingkat Komponen Dalam Negeri* – "**TKDN**") for industries that operate within the small, medium and miscellaneous industry sectors. The aforementioned detailed specifications of main components should be used by small-scale, medium-scale and/or miscellaneous industrial business actors and will be subject to annual reviews (or reviews that will be conducted at any time deemed necessary).
- The relevant main industries are outlined comprehensively under the Appendix to this Regulation and broadly break down as follows: 1) Food, furniture and construction material industrial sectors (110 industries); 2) Chemical, clothing and crafts industrial sectors (25 industries); and 3) Metal, machinery, electronics and vehicles sectors (22 industries).

Monetary & Payment System

25. Regulation of Bank Indonesia No. 10 of 2025 on Payment Systems

Enforcement Date: 31 March 2026

Summary:

- This new Regulation has now strengthened the payment system (*Sistem Pembayaran* – "**SP**") industry through the introduction of the new Transaction, Interconnectivity, Competency, Risk Management and Information Technology Infrastructure (*Transaksi, Interkoneksi, Kompetensi, Manajemen Risiko dan Infrastruktur Teknologi Informasi* - "**TIKMI**") system, which will now function as an assessment tool that addresses the five criteria that its name describes. Under the new TIKMI framework, Payment System Service Organizers (*Penyelenggara Jasa Sistem Pembayaran* – "**PSP**") have been reclassified as Primary PSP and Non-Primary PSP. Furthermore, all PSP are required to conduct self-assessments of their compliance with the TIKMI framework based on their respective activity bundles and are also required to meet various applicable threshold values. These self-assessments will subsequently be evaluated by Bank Indonesia ("**BI**"), with the first set of assessment results set to be finalized by 31 March 2027.
- This new framework has also revised the SP licensing regime through the reorganization of permitted payment service activities under a new activity bundling structure. In this regard, the previous Category 1, 2 and 3 activities have now been replaced with Bundling Activities 1, 2 and 3, with Bundling Activities 1 being further subdivided into 1A and 1B classifications. Bundling Activities 1A is exclusively reserved for Primary PSP, while Bundling Activities 1B, as well as Bundling Activities 2 and 3, may be carried out by Non-Primary PSP.
- This new Regulation has also introduced stricter requirements for PSP relating to operational planning, governance and capital adequacy. In this regard, PSP are now required to submit Strategic Business Plans ("**SBP**") and Payment System Business Plans ("**RBSP**"), with all RBSP having to be granted prior approvals by Bank Indonesia before ultimately serving as sets of primary operational guidelines. In addition, both Payment Service Providers (*Penyedia Jasa Pembayaran*/PJP) and Payment System Infrastructure Organizers (*Penyelenggara Infrastruktur Sistem Pembayaran*/PIP) must comply with a new set of initial and ongoing capital requirements, which vary based on activity scope and risk level. Said compliance should help to strengthen overall financial resilience and operational stability.

Non-Banking Financial Services

26. Regulation of the Financial Services Authority No. 35 of 2025 on the Amendment to Regulation of the Financial Services Authority No. 46 of 2024 on the Development and Strengthening of Financing Companies, Infrastructure Financing Companies and Venture Capital Companies

Enforcement Date: 22 December 2025

Summary:

- While retaining most of the provisions originally set out under Regulation of the Financial Services Authority (*Otoritas Jasa Keuangan* – "**OJK**") No. 46 of 2024 ("**Regulation 46/2024**") on the Development and Strengthening of Financing Companies, Infrastructure Financing Companies and Venture Capital Companies (collectively referred to as "**Companies**"), the Amendment has now introduced several revisions to the applicable licensing requirements that apply to Companies, as well as to Company business operations. One revision of note relates to the minimum core-capital-to-paid-up capital ratio that is required in order to engage in working capital financing through business capital facilities and multipurpose financing through fund facilities, which has now been reduced from at least 150% to 50%.
- The Amendment also stipulates that financing companies, sharia financing companies and sharia business units with a net Non-Performing Financing (NPF) ratio for motor vehicle financing of no more than 3% have been exempted from the minimum composite health rating requirement, which is set at Composite Rating 2. Subject to this exemption, said Companies may apply a minimum down payment of 0% of the relevant vehicle sales price for two- or three-wheeled vehicles and four-or-more-wheeled vehicles for investment financing, as well as multipurpose financing. However, this provision may only be applied to a maximum of 20% of any financing Company's total financing receivables portfolio.
- It should also be noted that any financing companies, sharia financing companies, infrastructure financing companies, venture capital companies and sharia venture capital companies that had levels of direct or indirect foreign ownership that exceeded 85% due to compliance with capital adequacy ratios, gearing ratios, core-capital-to-paid-up-capital ratios or minimum capital requirements, and/or with liquidity issue resolutions prior to the issuance of the Amendment are now required to adjust their foreign ownership limits within the timeframe stipulated through the implementation of an OJK-approved adjustment plan.

27. Regulation of the Financial Services Authority No. 36 of 2025 on the Strengthening of the Health Insurance Ecosystem

Enforcement Date: 22 March 2026

Summary:

- Under this new Regulation, insurance companies, sharia insurance companies and sharia units operating under insurance companies (collectively referred to as "**Companies**") are required meet various medical, digital and advisory capability standards. In this regard, medical capabilities must be supported by qualified medical doctors who will assume responsibility for the assessment of medical treatments, who will complete utilization reviews and who will also be supported by personnel who have secured relevant professional certification. Meanwhile, digital capabilities are demonstrated through the utilization of adequate information systems, while advisory capabilities are fulfilled through the establishment of Medical Advisory Boards (*Dewan Penasihat Medis*/DPM), the memberships of which should comprise specialist doctors.
- This new framework also sets out two available health insurance product schemes that Companies may offer, specifically, indemnity and managed care. Under indemnity schemes, medical expenses will be reimbursed based on benefit limits or actual charges. Meanwhile, managed care schemes offer integrated healthcare services, which are available through structured referral systems that extend from primary care all the way up to specialist treatments. In order to protect consumers, the repricing of insurance premiums has been limited to once annually and will require prior written notifications to be sent to policyholders at least 30 days in advance that set out the relevant reasons for the price revision, as well as any alternatives that are available to policyholders.
- In addition, this new framework also permits controlled risk-sharing arrangements, under which insured persons will bear a portion of any medical costs that they incur through co-payment or deductible mechanisms that are set within specified limits (i.e. a maximum of 5% of any total submitted claim). Finally, any non-compliance with these requirements may result in the imposition of administrative sanctions ranging from written reprimands to reductions in Companies' soundness levels.

28. Regulation of the Financial Services Authority No. 37 of 2025 on Status Stipulations and Follow-up Supervisions for Insurance Companies, Guarantee Institutions and Pension Funds

Enforcement Date: 22 June 2026

Summary:

- This new Regulation governs the stipulation of supervisory statuses and follow-up supervisory measures for insurance companies (i.e. conventional and sharia insurance companies, as well as conventional and sharia reinsurance companies), guarantee institutions (i.e. conventional and sharia guarantee companies, as well as conventional and sharia re-guarantee companies) and pension funds (*Perusahaan Perasuransian, Lembaga Penjamin dan Dana Pensiun* - "**PPDP**") by the Financial Services Authority (*Otoritas Jasa Keuangan* – "**OJK**"). The following supervisory

statuses are available: 1) Normal supervision; 2) Intensive supervision; or 3) Special supervision.

- The aforementioned supervisory statuses will be stipulated by the OJK, which will take the following factors into account: 1) Composite ratings; 2) Good corporate governance factor ratings; and/or 3) Quantitative parameters. Generally speaking, intensive supervision will be imposed in situations where PPDP meet one or more of the following criteria: 1) Have soundness levels that have been determined at Composite Rating 4; 2) Have soundness levels that have been determined at Composite Rating 3 with a good corporate governance factor rating of 4 or 5; and/or 3) Fulfill certain quantitative parameters.
- Meanwhile, PPDP will be subject to special supervision in situations where they meet one or more of the following criteria: 1) A period of intensive supervision has ended; 2) A soundness level of Composite Rating 5 has been determined; and/or 3) Certain quantitative parameters have been fulfilled. Accordingly, intensive and/or special supervision statuses may be imposed for a maximum period of one year from the date on which notification letters are issued by the OJK and may be extended under certain conditions.
- It should also be noted that this new framework affirms that any PPDP that satisfy the above-outlined special supervision criteria will not be placed under special supervision for set periods of time and may alternatively be placed under normal supervision if the PPDP in question meets any of the following conditions: 1) Undergoes a merger, acquisition and/or consolidation; 2) Undergoes a process that increases its level of deposited capital; and/or 3) Fulfills certain conditions, based on the results of an OJK assessment.

29. Regulation of the Financial Services Authority No. 38 of 2025 on Consumer Protection Lawsuits Filed by the Financial Services Authority Within the Financial Services Sector

Enforcement Date: 22 December 2025

Summary:

- In essence, this new framework grants the Financial Services Authority (*Otoritas Jasa Keuangan* – "**OJK**") the authority to undertake legal action in the form of consumer protection lawsuits against financial services business actors (*Pelaku Usaha Jasa Keuangan* – "**PUJK**") that are or were previously operating under OJK licenses and/or other parties acting in bad faith that have caused consumer losses. These lawsuits can be filed based on legal standing that has been granted under applicable Laws and Regulations and do not constitute class actions. In addition, it should be noted that these lawsuits should be based on unlawful acts.
- Notably, lawsuits may be directly filed by the OJK at courts based on their own assessments and do not require any special power of attorney to be granted by consumers. The new Regulation further clarifies that lawsuits

filed by the OJK may aim to recover assets that belong to aggrieved parties and/or to secure compensation from parties responsible for losses arising from violations.

- It should also be noted that, prior to the filing of any lawsuit, the OJK will announce the list of consumers that have been included in the suit via several platforms, including the official website and social media channels of the OJK. However, relevant consumers may submit an opt-out statement if they do not wish to be included on the list of consumers named in a given lawsuit. Subsequently, the OJK will prepare and/or determine the content of the lawsuit through its legal counsel, which may be accompanied by a list of assets belonging to the aggrieved parties and/or a compensation payment mechanism.

30. Regulation of the Financial Services Authority No. 39 of 2025 on Procedures for the Collection of Administrative Sanctions in the Form of Fines Within the Financial Services Sector

Enforcement Date: 22 December 2025

Summary:

- Upon entering into force, this Regulation simultaneously repealed and replaced Regulation of the Financial Services Authority (*Otoritas Jasa Keuangan* – "**OJK**") No. 4/POJK.04/2014, as amended most recently by Regulation of the OJK No. 36/POJK.02/2020 (collectively referred to as "**Regulation 4/2014**"). Generally speaking, this new framework has retained provisions that specifically address the payment of administrative sanctions in the form of fines (*Sanksi Administratif Berupa Denda* - "**SABD**") by making deposits into an official OJK account or through other payment methods determined by the OJK. Payments of fines should be completed within 30 days of the issuance of a given SABD letter, as originally stipulated under Regulation 4/2014.
- However, this new framework has now expanded the scope of the additional administrative sanctions that may be imposed upon any parties who fail to settle or who are late settling their SABD, as previously outlined under Regulation 4/2014, through the inclusion of the following sanctions: 1) Downgrading of soundness levels; 2) Annulments of fit-and-proper test results; 3) Restrictions on products and/or services and/or business activities; 4) Orders to replace management personnel; and 5) Prohibitions on the issuance of new products or the initiation of any new activities. The imposition of the above-listed additional administrative sanctions and/or specific measures represents a part of efforts aimed at optimizing enforcement, as a prerequisite for the classification of receivables as non-performing.
- In comparison with Regulation 4/2014, which permitted parties who were sanctioned with SABD to file objections in order to temporarily suspend their payment obligations, the new Regulation now stipulates that said objections may only be submitted after any imposed SABD has been fully settled and

recorded in the OJK's revenue information system. In this regard, if such an objection is ultimately granted, then the OJK will subsequently refund any excess payment to the relevant party.

31. Regulation of the Financial Services Authority No. 42 of 2025 on the Integrity of Financial Reporting by Financing Institutions, Venture Capital Companies, Microfinance Institutions and Other Financial Services Institutions

Enforcement Date: 22 December 2025

Summary:

- This Regulation stipulates that financing institutions, venture capital companies, microfinance institutions and other financial services institutions (collectively referred to as "**PVML**") are required to exercise integrity whenever implementing financial reporting processes. In this regard, this new framework prohibits board of directors' members, board of commissioners' members, sharia supervisory board members, controlling shareholders, executive officers and/or employees of PVML (collectively referred to as the "**Relevant Parties**") from manipulating financial information and/or financial statements in ways that do not reflect the actual conditions of the institutions in question.
- Furthermore, PVML are also required to draw up and establish internal control policies and procedures that address the financial reporting process and that should cover several provisions, including: 1) Procedures for the recording of financial transactions; 2) Procedures for the maintaining of financial transaction records; 3) Procedures aimed at ensuring that financial transactions are properly executed and approved by authorized parties; and 4) Other related provisions.
- The new Regulation also imposes a number of additional obligations, which include the following, among others: 1) Must establish a dedicated work unit or appoint an executive officer that will assume responsibility for the prevention of any fraud or manipulation during the recording of financial information and financial statements; 2) Must establish an audit committee; and 3) Must enforce a prohibition on any form of intervention that may result in misstatements regarding financial information and/or financial statements and/or significant weaknesses during the financial reporting process. It should also be noted that any violations of these obligations may result in the imposition of administrative sanctions, ranging from written reprimands and administrative fines to the revocation of issued business permits.

32. Regulation of the Members of the Board of Commissioners of the Financial Services Authority No. 41/PADK.05/2025 on the Implementation of Risk Management by Guarantee Institutions

Enforcement Date: 12 December 2025

Summary:

- This Regulation requires all guarantee institutions to implement enterprise-wide risk management based on four mandatory pillars: 1) Active oversight by their Boards of Directors, Boards of Commissioners and Supervisory Boards; 2) Adequacy of risk management policies and risk limits; 3) Effectiveness of risk management information systems and processes, including risk identification, measurement and monitoring; and 4) Comprehensive internal control systems.
- This new framework mandates the following clear separation of functions under the Three Lines of Defense mode: 1) Business and operational units as risk-takers (first line); 2) Independent Risk Management Units (*Satuan Kerja Manajemen Risiko* – "**SKMR**") as risk controllers (second line); and 3) Internal auditors as independent evaluators (third line). Risk profile assessments must cover inherent risk and control quality across nine risk categories, specifically Strategic, Operational, Credit, Market, Liquidity, Legal, Compliance, Reputational and Guarantee Risks. Institutions may also apply internal risk models (e.g. value at risk or credit scoring), subject to mandatory model validation, back-testing and stress testing.
- Boards of Directors will have to bear full responsibility for the formulation of adequate risk management strategies and should formally establish risk appetites and risk tolerances for their institutions. Said policies must be reviewed on an annual basis at least or more frequently in response to material changes in market conditions.

33. Regulation of the Board of Commissioners of the Financial Services Authority No. 45/PADK.06/2025 on Monthly Reporting by Financing Companies and Sharia Financing Companies

Enforcement Date: 1 July 2027

Summary:

- This Regulation sets out a new reporting framework for financing companies, sharia financing companies and sharia business units (*Unit Usaha Syariah*/UUS) (collectively referred to as "**Companies**") that addresses their mandatory monthly reporting ("**Reports**") obligations. Each monthly report must include the following elements: 1) Statement of financial position; 2) Statement of profit or loss and other comprehensive income; 3) Cash flow statement; 4) Analysis of asset and liability matching; and 4) Other supplementary reports.
- Reports should be drawn up in line with Regulations issued by the Financial Services Authority (*Otoritas Jasa Keuangan* – "**OJK**") and the Financial Accounting Standards (*Standar Akuntansi Keuangan*/SAK) issued by the Institute of Indonesian Chartered Accountants (*Ikatan Akuntan Indonesia*/IAI). All financial statements must be presented in rupiah, while

any assets or liabilities denominated in foreign currencies should be converted using the reference exchange rate determined by Bank Indonesia.

- Reports must be submitted to the OJK by a deadline of the 10th day of the month following the relevant reporting period, or the next business day, if said date falls on a national holiday. When preparing Reports, Companies are required to designate a specific Director (or equivalent) who will assume responsibility for their accuracy and presentation.
- All officers responsible for compiling Reports must use a unique User ID and password that should be secured through a formal application process. Submissions should be conducted primarily through the OJK's data communications network system. However, if this system is unavailable, then Companies may submit electronic documents by email. If email submissions are not possible either, then Companies should submit soft-copy files through an offline method, which should be accompanied by a signed cover letter and delivered directly or via courier service to the OJK's Department of Data Management and Statistics.

34. Regulation of the Board of Commissioners of the Financial Services Authority No. 46/PADK.05/2025 on Business Models for General Insurance, Sharia General Insurance, Life Insurance and Sharia Life Insurance Companies

Enforcement Date: 23 December 2025

Summary:

- At its core, this Regulation outlines and specifies a total of 21 business models that will now apply to conventional and sharia general insurance companies. The aforementioned business models include: 1) Property insurance (i.e. protection for property against various risks, including Fire, Lightning, Explosion, Aircraft Impact and Smoke [FLEXAS]); 2) Motor vehicle insurance (i.e. protection against loss and/or damage to motorized vehicles and/or insured interests); 3) Health insurance (i.e. protection against one or more types of risks related to a person's physical health or the deterioration of the insured person's health); 4) Credit or sharia financing insurance (i.e. protection from the risk of a debtor failing to fulfil his or her financial obligations to a creditor); and 5) Investment-linked insurance products (*Produk Asuransi Yang Dikaitkan Dengan Investasi* – "**PAYDI**") (i.e. protection against the risk of death due to personal accidents and the provision of benefits that refer to investment returns from a pool of funds specifically established for given insurance products).
- Meanwhile, this Regulation also outlines and specifies a total of 13 business models that apply to conventional and sharia life insurance companies. These business models include: 1) Yearly renewal term (*Ekawarsa*) insurance (i.e. provision of benefits if the insured/participant dies within a one-year period or less with the policy being renewable on each policy anniversary); 2) Term life insurance (i.e. provision of benefits if the

insured/participant dies within a one-year period or with a coverage period of a specific time period); 3) Endowment (*Dwiguna*) insurance (i.e. provision of benefits if the insured/participant dies during the insurance period or the insured/participant is still alive at the end of the insurance contract); 4) Whole life insurance (i.e. provision of lifetime protection and cash value or savings benefits during a policy's active term); and 5) General annuity insurance (i.e. provision of benefit payments over a specified period, including under the immediate annuity, deferred annuity, certain annuity or life annuity schemes).

35. Regulation of the Board of Commissioners of the Financial Services Authority No. 47/PADK.05/2025 on Soundness Level Assessments of Guarantee Institutions

Enforcement Date: 1 January 2026

Summary:

- This Regulation sets out the applicable procedures and mechanisms for assessments of the soundness levels of guarantee institutions. Said procedures are comprehensively outlined under the Appendices to this Regulation. However, this Regulation also affirms that risk-weighted factors that are based on product types and that are used to calculate the Regulatory Capital Adequacy Ratio (RCAR) should be implemented in accordance with the following timelines: 1) 50% of each risk weight: should commence for the December 2026 reporting position; and 2) 100% of each risk weight: should commence for the December 2028 reporting position.
- Broadly speaking, this Regulation requires guarantee institutions to complete assessments of their soundness levels that take the following factors into account: 1) Good corporate governance; 2) Risk profile; 3) Profitability; and 4) Capital. However, it should be noted that soundness level assessments for guarantee institutions that operate Sharia Business Units (*Unit Usaha Syariah* – "**UUS**") should be integrated into the soundness level assessments of their parent companies.
- This Regulation also affirms that the abovementioned soundness levels of guarantee institutions should be determined based on a comprehensive and structured analysis of the rating of each factor that takes account of the applicable general principles that underlie assessments and their ability to withstand significant changes in external conditions. The results of the aforementioned soundness level assessments should be stipulated as a composite rating of between one and five, with a lower composite rating reflecting a healthier guarantee institution status.

Pharmacies, Health Industry, and Foods & Drugs Standards

36. Regulation of the National Agency for Drug and Food Control No. 33 of 2025 on Assessments of the Fulfillment of Good Drug Manufacturing Practice Requirements by Imported Drug Manufacturing Facilities

Enforcement Date: 31 December 2025

Summary:

- In essence, this new framework affirms that assessments of the fulfilment of Good Drug Manufacturing Practices (*Cara Pembuatan Obat yang Baik* – "**CPOB**") by imported drug manufacturing facilities ("**CPOB Assessments**") comprise the following elements: 1) Examination of documents; 2) Desktop inspections; and 3) Inspections of manufacturing facilities. Previously, Regulation of the National Agency of Drug and Food Control (*Badan Pengawas Obat dan Makanan* – "**BPOM**") No. 7 of 2019 ("**Regulation 7/2019**"), which was in force prior to the introduction of this Regulation, also included evaluations of corrective actions and preventive actions ("**CAPA**") on the above list of core CPOB Assessment elements. However, it should be noted that this new framework continues to outline CAPA evaluation procedures.
- This Regulation also now requires all Site Master Files ("**SMF**") that outline quality management policies, as well as production and/or quality control activities for drug manufacturing activities, to have an effective date within the past year (or have been reviewed during this period) as part of the required CPOB Assessment documents. Under the previous framework of Regulation 7/2019, SMF were known as pharmaceutical industry master documents (*Dokumen Induk Industri Farmasi*/DIIF) and were only required to have been valid during the previous two-year period.
- In the event that an imported drug manufacturing facility originates from a country with a Mutual Recognition Arrangement (MRA) with Indonesia, then this Regulation now clarifies that said facility is only required to provide a valid CPOB certificate and a full inspection report issued by their local authority within the last two years whenever filing a registration application for a CPOB Assessment.
- Newly featured under this Regulation, BPOM will verify the aforementioned documents, as are submitted for CPOB Assessments, within three business days through a time-to-respond mechanism. Generally speaking, this mechanism affirms that a verification period will be halted if a given set of verification results requires any additional and/or corrected documents to be provided.

37. Regulation of the National Agency for Drug and Food Control No. 34 of 2025 on the Amendment to Regulation of the National Agency for Drug and Food Control No. 8 of 2024 on Procedures for the Securing of Approvals for the Implementation of Clinical Trials

Enforcement Date: 31 December 2025

Summary:

- In addition to requiring compliance with the applicable Guidelines for Good Clinical Trial Practices for Drugs and Food (*Cara Uji Klinik yang Baik* - "**CUKB**"), this Amendment has now clarified that clinical trials of cosmetics products must now comply with the official set of Guidelines for Clinical Trials of Cosmetics. These clinical trial guidelines are outlined comprehensively under Appendix IIIa to this Amendment and cover several clinical trial aspects, including: 1) The safety-and-efficacy proof scheme; 2) The implementation of clinical trials of cosmetics (e.g. design testing, determination of endpoints, clinical trial subjects, data analysis and relevant documentation); 3) Investigator's brochure; 4) Guidelines on the creation of information for candidate clinical trial subjects; and 5) Classification of clinical trials of cosmetics (i.e. low and high risks).
- This Amendment also clarifies that clinical trials that are implemented within Indonesia and that require Approvals for the Implementation of Clinical Tests (*Persetujuan Pelaksanaan Uji Klinik* - "**PPUK**") to be secured from the National Agency of Drug and Food Control (*Badan Pengawas Obat dan Makanan/*BPOM) may evaluate the following types of products: 1) Drugs; 2) Natural medicines; 3) Quasi drugs; and/or Health supplements. Furthermore, PPUK may also be secured for clinical trials of cosmetics and/or processed food products.

38. Decree of the Head of the Halal Product Guarantee Agency No. 1 of 2026 on Technical Guidelines for the Facilitation of Free Halal Certification for Micro-Scale and Small-Scale Businesses in 2026

Enforcement Date: 2 January 2026

Summary:

- As detailed under Appendix II to this Decree, the government has now set a quota of 1,350,000 Free Halal Certificates (*Sertifikat Halal Gratis* - "**SEHATI**") that will be awarded during the 2026 fiscal year to micro-scale and small-scale business actors operating across 38 Indonesian provinces. In addition, the Decree also features a set of Technical Guidelines for SEHATI Facilitation for Micro-Scale and Small-Scale Business Actors in 2026 ("**Guidelines**"), as outlined under Appendix I to the Decree.
- Pursuant to the Guidelines, SEHATI facilitation may be made available by the Halal Product Guarantee Agency (*Badan Penyelenggara Jaminan Produk Halal* - "**BPJPH**") to eligible micro-scale and small-scale business

actors and will cover the applicable halal certification costs. Generally speaking, applications for SEHATI facilitation should be submitted through a self-declaration mechanism that breaks down as follows: 1) Creation of an account through the integrated information system that is available via the following links: https://ptsp.halal.go.id/ and https://halalmax.halal.go.id/; 2) Submission of the required documents, which range from a halal certification application letter to a declaration that affirms the halal status of all products and materials that are utilized during the halal production process; 3) Verification and validation, as completed by a halal product process (*Proses Produk Halal* - "**PPH**") assistant; 4) Verification and validation, as completed by BPJPH followed by the issuance of a receipt of acknowledgment; 5) Completion of a halal fatwa session, as conducted by the Halal Product Fatwa Committee; 6) Submission of the halal determination results to BPJPH; and 7) Issuance of a halal certificate by BPJPH.

- The Guidelines also further clarify that SEHATI facilitation funds will be disbursed by the Commitment Making Officer (*Pejabat Pembuat Komitmen*/PPK) in the form of direct payments to PPH assistance institutions, PPH assistants and BPJPH.

39. Draft Regulation of the National Agency of Drug and Food Control on the Inclusion of Information on the Origin of Ingredients and Alcohol Content in Product Information and on Drug and Food Product Labels and/or Markings

Enforcement Date: -

Summary:

- When it comes into force, this Draft Regulation will require business actors to identify and declare specific ingredients derived from animals or humans. Said ingredients include, but are not limited to, gelatin, collagen, placenta and other biological extracts. In situations where products contain ingredients that derive from animals but halal certification has not been secured for them, then the relevant product labels must include a "Non-Halal Information" statement that displays the name of the relevant ingredient in a distinct color as a part of the composition list. In terms of pharmaceutical and cosmetics products that contain halal-qualified ingredients but whose manufacturing processes do not yet meet halal processing standards, the relevant product labels must bear the statement, "Made from halal ingredients and currently undergoing halal process compliance".
- All processed food products that contain alcohol must display a clear warning that states: "PROCESSED FOOD CONTAINS ALCOHOLIC BEVERAGES," accompanied by the percentage of alcohol content and a prohibition on consumption by individuals under 21 years of age and pregnant women. Furthermore, the alcohol content of medicines, supplements and general food products must be disclosed in percentage

form (±…% or <…%) as a specific warning. These requirements do not apply in situations where alcohol residues are undetectable in final products or where valid halal certification has already been secured for products. In addition, food products containing pork or that are manufactured through the use of shared facilities associated with pork-derived materials will be subject to various non-negotiable requirements relating to the inclusion of graphics on products, including a pork symbol and red lettering within a red rectangular box against a white background, with a minimum font size of 2 mm, placed in a clearly visible and proportionate position on the relevant label.

- Any non-compliance with these labelling obligations may result in the imposition of layered administrative sanctions by the Head of the National Agency of Drug and Food Control (*Badan Pengawas Obat dan Makanan* – "**BPOM**"). These sanctions will range from the issuance of formal warnings to temporary suspensions of production, importation and/or distribution activities. The most severe sanctions that may be imposed include suspensions or revocations of marketing authorizations, including emergency use authorizations (EUA); mandatory product recalls; and the destruction of products bearing non-compliant labels that are already being sold in the marketplace. BPOM is also authorized to recommend the revocation of halal certification to the relevant authorities based on the results of supervisory inspections.

40. Draft Regulation of the National Agency of Drug and Food Control on Criteria and Procedures for Drug Registrations

Enforcement Date: -

Summary:

- If this Draft Regulation ultimately comes into force, then it will replace the current written approval system set out under the framework of Regulation of the National Agency of Drug and Food Control (*Badan Pengawas Obat dan Makanan* – "**BPOM**") No. 24 of 2017 on Criteria and Procedures for Drug Registrations ("**Regulation 24/2017**") with an integrated electronic-based approval platform that will be used to process marketing authorizations (i.e. unconditional, conditional and Emergency Use Authorizations ["**EUA**"]), as well as export-only authorizations and variation registrations). The new framework also introduces new conditional marketing authorizations that will have a validity of up to two years, subject to compliance with certain specific criteria. The new Draft Regulation should also significantly accelerate the EUA process by requiring pre-registration outcomes to be issued within six hours of any application receipt.
- The Draft Regulation maintains the existing evaluation tracks and timelines, which range from five to 300 business days, including fast-track reviews for export-only drugs and life-saving medicines. However, the new framework is also set to provide greater regulatory clarity by reaffirming the categorization of evaluation pathways into new registrations, variation

registrations and re-registrations, while also expressly defining "investments in Indonesia" as the establishment of new domestic drug manufacturing facilities.

- In addition, the Draft Regulation will strengthen post-market oversight by requiring applicants to meet an expanded set of responsibilities in order to ensure the safety, efficacy and quality of all drugs during their circulation, as supported by formal written declarations. In terms of imported products, applicants must also commit to phased technology transfers aimed at the expansion of local production, typically in line with a five-year roadmap. Finally, existing marketing authorization holders will be required to bring their operations into compliance with these new obligations during an 18-month transition period that will follow the enactment of this Draft Regulation.

41. Draft Regulation of the National Agency of Drug and Food Control on Procedures for the Issuance of Good Manufacturing Practices for Processed Foods Implementation Licenses

Enforcement Date: -

Summary:

- This new Draft Regulation introduces a broad set of revisions to the mandatory licensing framework that applies to producers of processed food products ("**Producers**"). Generally speaking, Producers are required to comply with a set of food safety standards throughout all of their processed food production activities. Moreover, these safety standards cover both domestic and overseas production facilities. In this regard, the Draft Regulation clarifies that the compliance of overseas production facilities should be evidenced through the possession of relevant certification, such as good manufacturing practices certification and hazard analysis and critical control points certification.
- In terms of domestic production facilities, compliance should be demonstrated through the possession of Good Manufacturing Practices for Processed Foods (*Cara Produksi Pangan Olahan yang Baik* – "**CPPOB**") Implementation Licenses and Risk Management Program (*Program Manajemen Risiko* – "**PMR**") Implementation Licenses. In this regard, the Draft Regulation has now expanded the types of entities that are required to secure PMR Implementation Licenses to include large-scale producers that manufacture non-high-risk food products or that utilize food additives (*Bahan Tambahan Pangan*/BTP).
- The Draft Regulation will also introduce a set of simplified documentation requirements for CPPOB Implementation License applications that are submitted by Micro- and Small-Scale Enterprises (*Usaha Mikro dan Kecil* – "**UMK**") and will establish a post-licensing audit mechanism. Under this framework, CPPOB Implementation Licenses for UMK should be issued within 10 days in situations where no audits are required, or within 30 days in situations where on-site audits are conducted. In addition, the Draft

Regulation also expands the range of administrative sanctions that may be imposed in response to any non-compliance, including the suspension of CPPOB Implementation Licenses and the suspension of CPPOB Implementation License application processes.

Profession

42. Circular of the Head of the Human Resources Development Agency for Communications and Digital Affairs No. 49 of 2025 on the Criteria and Procedures for the Granting of Support During the Securing and Renewal of Licenses for Professional Certification Bodies Operating Within the Communications and Digital Sector

Enforcement Date: 10 December 2025

Summary:

- This new Circular introduces a number of technical revisions to the licence application procedure, which has now moved from physical, paper-based submissions (two hardcopy sets of documents) to mandatory electronic submissions through the Standards for Competency Development in the Communications and Digital Sector (*Standar Pengembangan Kompetensi Bidang Komunikasi dan Digital* – "**Stankomdigi**") portal. In addition, applicants are now subject to a new obligation that requires them to actively and continuously update their data within the Competency Development Standards application, including the profile of the relevant Professional Certification Body (*Lembaga Sertifikasi Profesi* - "**LSP**"), as well as its activity schedule and graduate data. These technical data-updating requirements were not explicitly regulated under Circular of the Head of the Research and Development Agency for Human Resources at the Ministry of Communication and Informatics Number 1 of 2014 ("SE Head of Balitbang SDM Kominfo 1/2014").
- Legal and organizational integrity requirements have been significantly tightened by mandating that all personnel, not only assessors as was the case under the previous Regulation, must draw up statements declaring that they are neither currently involved in any judicial proceedings nor have they been convicted of any criminal offense punishable by a minimum prison term of five years. From a facilities standpoint, proof of ownership or control of a permanent office for a minimum period of two years must now be supported by specific technical documentation, including an office inventory list and a front-view photograph of the relevant office that has been endorsed by the head of the relevant organization. Furthermore, the activity plan requirement has been extended to a five-year work plan, reflecting the introduction of a more concrete and sustainable organizational funding strategy.

- The document review timeline has also been expanded from a 10-business-day review period to the following two-stage process: 1) Ten business days for technical assessments that are completed after application documents have been declared complete; and 2) An additional seven business days for the issuance of final determinations. The most significant procedural development under this new Circular is the introduction of a Public Objection Period (*Masa Sanggah*) of seven calendar days, during which members of the general public or interested parties may submit written objections. This mechanism authorizes the Head of BPSDM Komdigi to revoke previously issued support if substantiated and accountable facts are identified.

Tax & Non-Tax Charges

43. Regulation of the Minister of Finance No. 89 of 2025 on the Storage, Entry, Release and Transportation of Excisable Goods

Enforcement Date: 24 December 2025

Summary:

- This Regulation has now replaced Regulation of the Minister of Finance No. 226/PMK.04/2014 and has updated the rules that apply to storage locations that are used for excisable goods (*Barang Kena Cukai* – "**BKC**") but for which excise duties have not yet been paid. Said goods may now be stored in Temporary Storage Facilities/Bonded Storage Facilities (*Tempat Penimbunan Sementara* – "**TPS**" or *Tempat Penimbunan Berikat* – "**TPB**") in accordance with customs Regulations, or at factories and facilities that are benefiting from excise exemption facilities. However, the operators of all such factories and facilities are required to engage in proper bookkeeping or maintain full records of the entry, storage and use of all excisable goods.
- Furthermore, procedures for the entry, release and transportation of excisable goods based on excise documentation have now been clarified. In this regard, the supervising Customs and Excise Office must be notified of all entries and releases of excisable goods, while all such goods should be covered by excise documents. It should be noted that limited exceptions are available for certain types of excisable goods for which the relevant excise duties have been paid or during emergency situations. In addition, a number of other specific provisions require excise documents to be presented for the transportation of ethyl alcohol (EA) and excisable goods containing ethyl alcohol (MMEA), even if the relevant excise duties have already been paid.
- Meanwhile, documentation-based procedures have been retained for the entry, release and transportation of excisable goods. These procedures

emphasize the mandatory notification of the supervising Customs and Excise Office and the use of excise documents, subject to limited statutory exceptions.

44. Regulation of the Minister of Forestry No. 28 of 2025 on Value A, Value B1, Value B2 and Value B3 Amounts in Non-Tax State Revenue Levies Deriving from Business Licensing Activities for the Utilization of Geothermal Environmental Services During the Exploitation and Utilization Stages Within Conservation Areas

Enforcement Date: 31 December 2025

Summary:

- This Regulation affirms that levies deriving from activities associated with Business Permits for the Utilization of Geothermal Environmental Services (*Perizinan Berusaha Pemanfaatan Jasa Lingkungan Panas Bumi* – "**PB-PJLPB**") during the exploitation and utilization stages that apply within conservation areas (e.g. national parks, botanical forest parks and nature tourism parks) will be imposed annually and calculated using the following formulas: 1) For PB-PJLPB for the initial year: (L x A) + (L x B1) + (L x B2) + (L x B3); and 2) For PB-PJLPB for the second year onwards: (L x A) + (L x B1) + (L x B2).
- In addition to affirming that the L value in the above formula represents the total areas of any PB-PJLPB exploitation and utilization business activities, this Regulation also clarifies the following PB-PJLPB formula calculation values (per hectare per year): 1) Value A: biodiversity value (valued at Rp. 9,600,000); 2) Value B1: water regulation (valued at Rp. 106,000); 3) Value B2: carbon sequestration value (valued at Rp. 320,000); and 4) Value B3: carbon emissions (release) value (valued at Rp. 320,000).

45. Regulation of the Minister of Finance No. 111 of 2025 on the Supervision of Taxpayer Compliance

Enforcement Date: 1 January 2026

Summary:

- Under this Regulation, the supervision of taxpayer compliance ("**Supervision**") will be implemented in line with the following classifications and Supervision subjects: 1) Supervision of registered taxpayers (e.g. reporting of business activity locations in order to secure a business activity location identification number, reporting of business activities in order to register as a taxable entrepreneur and so forth); 2) Supervision of unregistered taxpayers (e.g. registration in order to secure a taxpayer identification number, reporting of business activities in order to register as

a taxable entrepreneur and so forth); and 3) Regional Supervision (i.e. supervision of economic activities engaged in by taxpayers and the identification of taxpayers within each working area).
- The aforementioned Supervisions will be initiated in relation to a total of eight types of taxes, including: 1) Income tax (*Pajak Penghasilan*/PPh); 2) Value-added tax (*Pajak Pertambahan Nilai*/PPN); 3) Luxury-goods sales tax (*Pajak Penjualan atas Barang Mewah*/PPnBM); 4) Land and building tax (*Pajak Bumi dan Bangunan*/PBB); and 5) Carbon tax.

46. Regulation of the Minister of Finance No. 112 of 2025 on Procedures for the Application of Double Taxation Avoidance Agreements

Enforcement Date: 31 December 2025

Summary:

- This Regulation stipulates that various benefits that can be enjoyed under Double Taxation Avoidance Agreements ("**DTAA**"), including reduced tax rates, exclusive taxation rights, income-tax exemptions and permanent establishment (PE) provisions, may only be granted provided there is no abuse of any DTAA, including tax avoidance, tax deferral or tax reduction schemes that are inconsistent with the objectives and purposes of such agreements.
- Resident Taxpayers (*Wajib Pajak Dalam Negeri* - "**WPDN**") who generate their incomes overseas are required to submit electronic Certificates of Domicile (*Surat Keterangan Domisili* - "**SKD**") and comply with various obligations relating to the filing of Annual Tax Returns (*Surat Pemberitahuan* – "**SPT**"). Meanwhile, Non-Resident Taxpayers (*Wajib Pajak Luar Negeri* - "**WPLN**") who generate any income in Indonesia must submit valid DGT Forms with a maximum validity period of 12 months and must also satisfy the beneficial owner criteria that apply to certain types of income, with electronic verification and reporting obligations residing with the relevant Indonesian withholding/collecting agents.
- In situations where the applicable administrative requirements are not fulfilled or indications emerge of DTAA abuse, then DTAA benefits may be denied and the relevant tax will be withheld based on the applicable domestic tax rates. The Directorate-General of Taxes is also authorized to assess payable tax in accordance with the Income-Tax Law, as well as impose sanctions on withholding agents and issue tax identification numbers ex officio to permanent establishments if any avoidance of PE determination is identified.

47. Regulation of the Minister of Finance No. 113 of 2025 on Excise Refunds

Enforcement Date: 1 January 2026

Summary:

- This Regulation has now replaced Minister of Finance Regulation No. 113/PMK.04/2008 on Excise Refunds and/or Administrative Sanctions in the Form of Fines, and stipulates that all stages of excise refund application, examination and settlement processes must be conducted through the computerized customs-and-excise service system. Meanwhile, the use of non-electronic documents is only permitted if the system is unavailable or is experiencing disruptions, meaning that business actors should ensure the readiness of their systems, as well as their ability to meet the applicable electronic data requirements.
- Excise refunds may be granted in various situations, including in relation to overpayments, exports of Excise Goods (*Barang Kena Cukai* – "**BKC**"), reprocessing, destruction, excise exemptions and returns of excise stamps. Said excise refunds may also be based on decisions of the Tax Court. Furthermore, refund amounts must first be offset against any outstanding excise liabilities. Subsequently, if there are no such liabilities, then refunds may be deducted from future excise payments or requested in cash, subject to the provisions that apply during the current fiscal year and/or preceding fiscal year.
- The destruction or reprocessing of BKC must be supervised by the Customs and Excise Supervisory Team. Meanwhile, in terms of excise refunds that relate to excise stamps, entrepreneurs are required to pay a replacement fee for the provision of excise stamps in line with tariffs that are determined on a per-stamp-type basis as a prerequisite for the issuance of underlying refund documents. Underlying refund documents have a validity of 10 years, with transitional provisions applying to any documents that were issued before 26 February 2024.

48. Regulation of the Minister of Finance No. 1 of 2026 on the Fourth Amendment to Regulation of the Minister of Finance No. 81 of 2024 on Taxation Provisions for the Implementation of the Core Tax Administration System

Enforcement Date: 22 January 2026

Summary:

- This Fourth Amendment has now brought the definition of State-Owned Enterprises (*Badan Usaha Milik Negara* – "**BUMN**") into line with that set out under the framework of Law No. 19 of 2003, as amended several times, most recently by Law No. 16 of 2025. As such, BUMN are now defined as business entities that meet at least one of the following criteria: 1) All or the majority of the relevant capital is owned by the Republic of Indonesia through direct participation; and 2) The Republic of Indonesia holds certain special rights.
- While retaining the business purpose test that was originally set as part of the requirements that apply to taxpayers for the utilization of book value

deriving from transfers of assets within the context of mergers, consolidations, spin-offs or business acquisitions, this Fourth Amendment has now revised the threshold for the minimum business continuity period for taxpayers receiving or transferring assets from five years down to just four years. Moreover, this Fourth Amendment also now affirms that any taxpayers who have secured approvals from the Director-General of Taxes for the utilization of the aforementioned book value, and that also satisfy the business purpose test requirements, while continuing to engage in merger, consolidation, spin-off or business acquisition activities, will be exempted from the requirement to utilize the market value.

- Newly featured under this Fourth Amendment, the Minister of Finance, through the Director-General of Taxes and the Director-General of Economic and Fiscal Strategy, is authorized to evaluate the aforementioned provisions that govern the use of book values for transfers and acquisitions of assets within the context of mergers, consolidations, spin-offs or business acquisitions.

Technology, Media, and Telecommunication

49. Regulation of the Minister of Communication and Digital Affairs No. 7 of 2026 on the Registration of Telecommunications Service Customers Through Mobile Cellular Networks

Enforcement Date: 19 January 2026

Summary:

- Upon entering into force, this Regulation repealed and replaced various provisions on the registration of the telecommunications service customers ("**Customers**") of mobile cellular networks that originally featured under Regulation of the Minister of Communication and Informatics No. 5 of 2021 ("**Regulation 5/2021**"). However, it should be noted that both of these frameworks require all organizers of telecommunications services ("**Organizers**") to apply the Know-Your-Customer ("**KYC**") principles during the registration of their Customers through the establishment of relevant policies and procedures.
- Aside from utilized Customer numbers, this new framework no longer features family cards (*Kartu Keluarga* - "**KK**") on the list of mandatory identification documents that should be used by Indonesian citizens in order to register as Customers, as was previously the case under Regulation 5/2021. Instead, this Regulation affirms that any Indonesian citizens who wish to become Customers must present their Citizenship Identification Numbers (*Nomor Induk Kependudukan* – "**NIK**") and provide biometric data

in the form of facial recognition data. Moreover, the aforementioned registration requirements also apply during the registration process for any Customers that use embedded subscriber identity modules (eSIM) in order to access telecommunications services.

- In terms of the above-outlined registration requirements, this Regulation has now clarified that any prospective Customer who has not yet reached the age of 17 years old and who is not married, and who therefore does not yet possess any electronic identity card, is required to provide NIK and biometric data in the form of facial recognition data for the head of the family that is in accordance with the data stated in the prospective Customer's KK.
- Newly featured under this Regulation, Organizers are now required to complete the following processes during Customer registrations: 1) Secure and/or cooperate with other parties that hold at least ISO/IEC 30107-3 certification on Presentation Attack Detection (PAD) and that have passed testing with a resilience level equivalent to level 2 or higher testing that is internationally recognized; and 2) Apply mechanisms for the prevention and handling of fraud.

50. Circular of the Director-General of Intellectual Property No. HKI-92.KI.01.04 of 2025 on the Obligation to Pay Royalties for Users Engaging in the Commercial Use of Songs and/or Music in Relation to Commercial Public Services Through the National Collective Management Organization

Enforcement Date: 23 December 2025

Summary:

- Owners of business premises or event organizers that use songs and/or music for commercial purposes are required to secure licenses and pay royalties through the online one-gate system that is administered by the National Collective Management Organization (*Lembaga Manajemen Kolektif Nasional* - "**LMKN**"). In this regard, any payment that is completed externally to the LMKN mechanism will be deemed invalid.
- The applicable royalty rates are set out under the 2016 Decree of the Minister of Law and Human Rights, while compliance will be monitored by the Directorate-General of Intellectual Property and the Supervisory Team. Furthermore, legal protections will be granted to users who have fulfilled their royalty payment obligations through LMKN, while sanctions may be imposed upon any parties who do not meet their obligations, in accordance with prevailing Laws and Regulations.

51. Draft Regulation of the Minister of Communication and Digital Affairs on the Implementation of Regulation of the Government No. 17 of 2025 on the Governance of the Organization of Electronic Systems in Relation to Child Protection

Enforcement Date: -

Summary:

- If this Draft Regulation ultimately comes into force, then it will set out further details of the various mandatory measures and obligations that apply to organizers of electronic systems (*Penyelenggara Sistem Elektronik* – "**PSE**") regarding the protection of children under 18 years of age who use or access electronic systems ("**Children**"). The various aspects and measures that are detailed under this Draft Regulation include the following: 1) Requirements for the provision and disclosure of minimum ages for Children and their parents or legal guardians; 2) Assessments of risk profiles in relation to online products, services and features that are provided by PSE (collectively referred to as "**Online Services**"); and 3) Supervision of electronic systems in order to protect Children.
- PSE are required to complete self-assessments of their Online Services that address a total of seven listed risk factors. In this regard, the Draft Regulation now details various indicators that should be utilized during self-assessments. Moreover, the Draft Regulation also requires PSE to complete additional self-assessments that address the compliance of their Online Services with the determined minimum ages and age ranges.
- PSE are also mandated to adopt effective technologies and technical operational measures in order to protect Children who utilize Online Services, from the development phase of such services all the way up to their operational phase. In this regard, the Draft Regulation specifies that such technologies and technical operational measures break down into 15 forms, which include: 1) Application of the safety-by-design and privacy-by-design principles; 2) Content moderation and curation (including advertisements); 3) Transaction limitation/control mechanisms (e.g. in-app purchases); 4) Verification and identification mechanisms capable of processing unknown users; and 5) Age verification and age assurance mechanisms.

52. Draft Regulation of the Minister of Communication and Digital Affairs on the Smart City Concept

Enforcement Date: -

Summary:

- If it is ultimately enforced, then this Draft Regulation will serve as the basis for the establishment and sustainable management of regencies or cities by regional governments. Said establishment and management should encompass innovation and collaborations that involve the utilization of information and communications technologies, as well as various other types of technologies ("**Smart City**"). In essence, this Draft Regulation covers the following Smart City-related aspects: 1) Smart City concept aspects; 2) Applicable Smart City standards; 3) Assessments of the

fulfilment of Smart City standards; 4) Smart City cooperation and partnerships; and 5) Guidance and supervision.

- This Draft Regulation affirms that the Smart City concept comprises the following aspects, which will also serve as applicable standards for assessments of Smart City realisation: 1) Bureaucratic governance (e.g. improvement of public services, as well as bureaucratic efficiency and transparency during the formulation of policies); 2) Economy (e.g. digital marketing of community businesses, improvement of community welfare and financial transaction transparency); 3) Urban living (e.g. safe and comfortable residential environments and workplaces); 4) Community (e.g. adaptability to technological advances); 5) Environment (e.g. prudent utilization of natural resources and environmentally sound and friendly energy management); 6) Mobility (e.g. environmentally friendly and health-promoting transportation, as well as integrated, technologically advanced transportation systems); and 7) Image (e.g. development of a competitive business ecosystem and ease of doing business, as well as digital urban marketing).
- When working to fulfil the aforementioned Smart City aspects, the Draft Regulation authorizes relevant regional governments to cooperate with other parties, including members of the general public and legal entities. The scope of these types of cooperation covers the following aspects: 1) Feasibility studies; 2) Design and development; 3) Provision of technology and data; 4) Provision of human resources; and 5) Provision of facilities and infrastructure.

Trade

53. Regulation of the Government No. 3 of 2026 on the Amendment to Regulation of the Government No. 29 of 2021 on the Organization of the Trade Sector

Enforcement Date: 15 January 2026

Summary:

- This new Amendment has now clarified that the supervision of imports of certain types of goods encompasses importer compliance with the requirement to possess a valid Business Identification Number (*Nomor Induk Berusaha*/NIB), as well as various import-related business licensing, verification and technical tracing requirements, and also provisions that address destination ports. In addition, the Amendment has now allocated the authority for these various types of supervision to the Minister of Finance (for supervision within customs areas) and to the Ministry of Trade (for goods that have already cleared customs areas).

- The Amendment further clarifies that the types of contractual documentation required whenever engaging in any indirect goods distribution activities now differ as follows, depending on the type of distribution business actors concerned: 1) For distributors, agents and franchises: written agreements; and 2) For wholesalers/cash and carries/retailers: appointments and/or written transaction evidence. The Amendment also stipulates that the prohibition on the organization of pyramid schemes that involve direct selling arrangements applies when certain criteria are met (e.g. the collection of unreasonable membership or registration fees, payments of commissions or bonuses generated from membership fees/recruitment of new members/marketing programs, etc.)
- The Amendment has also incorporated a number of government-enforced measures in the available administrative sanctions and has also expanded the scope of licenses that may potentially be subject to suspensions or revocations to include Business Licenses That Support Business Activities (*Perizinan Berusaha untuk Menunjang Kegiatan Usaha*/PB UMKU). In addition, the tiered sanctions mechanism for written reprimands has been increased to three stages, each with a maximum compliance period of 14 business days.

54. Regulation of the Minister of Trade No. 47 of 2025 on Import-Prohibited Goods

Enforcement Date: 1 January 2026

Summary:

- This new framework has now replaced Regulation of the Minister of Trade No. 18 of 2021 and stipulates a list of 12 categories of import-prohibited goods that cannot be brought into Indonesian customs territory by any importer in any form. Said goods include sugar and rice, used clothing, hazardous and toxic materials (*Bahan Berbahaya dan Beracun* – **B3**) and waste, as well as ozone-depleting substances and certain cooling system-based electronics products.
- This new Regulation also further clarifies the scope of import prohibitions, applicable exemptions and transitional provisions. In this regard, the import ban applies not only within general Indonesian customs territory but also to Free Trade Zones and Free Port Areas (*Kawasan Perdagangan Bebas dan Pelabuhan Bebas* - **KPBPB**), Special Economic Zones (*Kawasan Ekonomi Khusus* - **KEK**) and Bonded Storage Areas (*Tempat Penimbunan Berikat* - **TPB**). This includes imports that are undertaken through the export-oriented import facility (*Kemudahan Impor Tujuan Ekspor* - **KITE**). However, it should be noted that limited exemptions are available in relation to re-importation, while transitional arrangements will apply to cooling system-based electronic products that use HCFC-123, subject to shipment and arrival deadline requirements. Finally, sanctions may still be imposed in accordance with prevailing Laws and Regulations.

55. Regulation of the Minister of Trade No. 48 of 2025 on Procedures for the Selection of Institutions to Implement Warehouse Receipt System Guarantees

Enforcement Date: 31 December 2025

Summary:

- Upon entry into force, this Regulation simultaneously repealed and replaced Regulation of the Minister of Trade No. 52/M-DAG/PER/9/2014 on Procedures for the Selection of Institutions to Implement Warehouse Receipt System Guarantees ("**Regulation 52/2014**"). While retaining the two-stage selection mechanism for institutions that implement warehouse receipt system guarantees (i.e. administrative assessments and competency assessments), as previously regulated under Regulation 52/2014, this new framework has now revised the composition of the selection committee responsible for the selection process.
- Under Regulation 52/2014, the selection committee comprised representatives from the Ministry of Trade ("**Ministry**"), the Ministry of State Secretariat, the Ministry of Finance, the Ministry of Law and Human Rights and the Ministry of State-Owned Enterprises. However, this new framework has now clarified that the selection committee will strictly comprise representatives drawn from the relevant technical units operating under the Ministry and will be led by the Head of the Commodity Futures Trading Regulatory Agency (*Badan Pengawas Perdagangan Berjangka Komoditi* – "**Bappebti**"), while being supported by the Bappebti Secretariat.
- Generally speaking, the selection committee will announce the opening of registrations through the Ministry's website. In this regard, any legal entities or business entities that take the form of limited-liability companies and that are intending to participate in the selection process should submit their registration applications to the Head of Bappebti along with the required supporting documents. Based on these applications, the selection committee will complete an administrative assessment and subsequently draw up a set of official minutes that set out the assessment results before ultimately publishing the results through the Ministry's website. Any selection participants who pass the administrative assessment process will then be required to submit the required documents to the Head of Bappebti for a competency assessment. Finally, upon fulfillment of these requirements, the selection committee will announce the designated implementing institutions through the Ministry's website.

56. Regulation of the Commodities Futures Trading Regulatory Agency No. 6 of 2025 on the Third Amendment to Regulation of the Head of the Commodity Futures Trading Regulatory Agency No. 69/BAPPEBTI/PER/6/2009 on Market Makers and the Obligation to

Conduct Futures Contract Transactions Through the Futures Exchange

Enforcement Date: 19 December 2025

Summary:

- This Third Amendment has expanded the scope of parties eligible to take on the role of market makers through the inclusion of the following parties onto the official list: 1) Futures brokers that are authorized by the Head of the Commodities Futures Trading Regulatory Agency (*Badan Pengawas Perdagangan Berjangka Komoditi* – "**Bappebti**") to conduct futures-contracts transactions through their own accounts; 2) Physical commodity market participants in the futures exchange; and/or 3) Other parties that meet requirements stipulated by the futures exchange.
- Newly featured under the Third Amendment, the futures exchange and/or the futures clearing institution are now required to periodically complete evaluations of parties that are designated as market makers that take their transaction volumes into account, as well as the relevant requirements that apply to market makers. Furthermore, the Third Amendment also requires futures brokers that wish to be designated as market makers to submit applications to the Head of Bapebbti that demonstrate that they meet various requirements, including: 1) Must have secured a futures broker business permit; 2) Must have secured a recommendation from the futures exchange and the futures clearing institution; and 3) Must not have violated any provisions on minimum financial requirements and/or financial reporting obligations during the course of the previous three months.
- The Third Amendment also affirms that alternative trading system operators and futures brokers are prohibited from conducting any transactions that are improperly pre-arranged. In this regard, multilateral futures contract transactions may be categorized as improperly pre-arranged if they meet certain criteria, including: 1) Parties that conduct multilateral futures contract transactions do not meet the requirements that apply to the customer acceptance process; 2) A customer fails to fulfill the post margin obligation; 3) Transaction matching occurs between a customer and another customer through the same futures broker; 4) Price matching occurs outside the normal and reasonable price range at the time that a transaction takes place; or 5) A transaction position exceeds the transaction volume limit stipulated in the relevant futures broker's trading rules.

57. Regulation of the Commodities Futures Trading Regulatory Agency No. 7 of 2025 on Procedures for the Drafting and Submission of Periodic Reports by Futures Advisors

Enforcement Date: 29 December 2025

Summary:

- Under this new framework, futures advisors ("**Advisors**") are required to draft, maintain and retain records of all activities and financial information. Said records must be submitted periodically to the Commodities Futures Trading Regulatory Agency (*Badan Pengawas Perdagangan Berjangka Komoditi* – "**Bappebti**") through Bappebti's official electronic reporting system. The aforementioned records that must be periodically reported by Advisors break down as follows: 1) Monthly activity reports (must be submitted before a deadline of seven business days after the end of the reporting period); 2) Monthly financial statements (must be submitted before a deadline of seven business days after the end of the reporting period); and 3) Annual financial statements (must be submitted before a deadline of 90 days after the end of the reporting year).
- Any Advisors that fail to comply with the above-outlined reporting obligations may be subject to the imposition of administrative sanctions by Bappebti. Said administrative sanctions may take the following forms: 1) Written reprimands; 2) Administrative fines; 3) Restrictions on business activities; 4) Suspensions of business activities; 5) Cancelations of issued approvals; and/or 5) Revocations of issued permits.

58. Regulation of the Director-General of Customs and Excise No. PER-19/BC/2025 on the Fourth Amendment to Regulation of the Director-General of Customs and Excise No. PER-01/BC/2016 on Procedures for Bonded Logistics Centers

Enforcement Date: 24 January 2026

Summary:

- While maintaining the eight types of bonded logistics centers (*Pusat Logistik Berikat* - "**PLB**") that were originally outlined under Regulation of the Director-General of Customs and Excise ("**Director-General**") No. PER-01/BC/2016 on Procedures for Bonded Logistics Centers, as most recently amended by Regulation of the Director-General No. PER-23/BC/2023 (collectively referred to as "**Regulation 23/2023**"), this Fourth Amendment no longer specifies that Air Hub Cargo and Floating Storage PLB are only primarily permitted to store goods for the purposes of transshipment activities.
- Newly featured under the Fourth Amendment, Basic Necessities PLB may store basic necessity goods and/or strategic goods, as determined in accordance with relevant Laws and Regulations. Moreover, in the event that the aforementioned Basic Necessities PLB are located in border areas that are listed in bilateral agreements drawn up between countries, then said PLB may store the types of goods agreed upon in the relevant bilateral agreements.
- The Fourth Amendment also affirms that the following provisions will apply if PLB store goods owned by businesses operating in bonded areas or businesses operating in bonded areas that are also acting as organizers in bonded zones (*Pengusaha di Kawasan Berikat merangkap Penyelenggara*

di Kawasan Berikat - "**PDKB**"): 1) Releases of goods to other areas that are located within customs areas (*Tempat Lain Dalam Daerah Pabean* - "**TLDDP**") for import for use must be conducted through customs declarations that address releases of goods from a Free Trade Zone to TLDDP for import for use, in line with the fulfillment of customs and tax obligations set out under relevant Laws and Regulations; 2) Releases of goods to other bonded areas must be conducted through the use of customs declarations for releases of goods from one bonded storage area (*Tempat Penimbunan Berikat*/TPB) to another; 3) Releases of goods that are undertaken outside official customs areas must be conducted in accordance with provisions that address exports of goods from or through PLB; and 4) The customs declarations outlined in points (1) and (2) above must be submitted by relevant bonded areas or PDKB businesses.

59. Regulation of the Director-General of Customs and Excise No. PER-20/BC/2025 on Procedures for the Storage, Entry, Release and Transportation of Excisable Goods

Enforcement Date: 1 January 2026

Summary:

- In comparison with the now-revoked framework of Regulation of the Director-General of Customs and Excise ("**Director-General**") No. PER-13/BC/2023 ("**Regulation 13/2023**"), which was the previous framework to outline procedures for the storage, entry, release and transportation of excisable goods (*Barang Kena Cukai* – "**BKC**"), this new framework has now clarified that any BKC that are stored in bonded storage areas (*Tempat Penimbunan Berikat* – "**TPB**") or temporary storage areas (*Tempat Penimbunan Sementara* – "**TPS**") may comprise goods that are intended for both import and export.
- This Regulation now affirms that supervisions of imports or releases of BKC should be based on the service categories for mandatory BKC mutation notification ("**CK-5**") documents. Said service category designations for BKC should be determined based on risk-profile assessments or in line with other considerations determined by the head of the relevant customs office. The available service categories break down as follows: 1) Category Green (low risk); 2) Category Yellow (medium risk); or 3) Category Red (high risk).
- This new framework also affirms that BKC for non-export purposes that have been sent to their destinations should have their CK-5 documents settled through the official Application System for the Excise Sector by the second month following the month in which CK-5 documents are initially registered. Under the previous framework of Regulation 13/2023, the aforementioned settlements were required to be completed by the fourth month after the relevant registration month.
- This Regulation has also expanded the scope of activities that may utilize documents that address the transportation of ethyl alcohol/alcoholic beverages for which the relevant excise has been paid ("**CK-6**"). These

newly included activities that fall under the CK-6 document framework include: 1) Transportation of BKC in the form of ethyl alcohol and/or beverages containing ethyl alcohol from customs areas, TPS or TPB to the relevant importer's place of business; 2) Transportation of ethyl alcohol from one place of retail sales to another place of retail sales; and 3) Transportation of beverages containing ethyl alcohol from one distributor and/or place of retail sales to another distributor and/or place of retail sales.

60. Regulation of the Director-General of Customs and Excise No. PER-21/BC/2025 on the Second Amendment to Regulation of the Director-General of Customs and Excise No. PER-7/BC/2021 on Procedures for Entries and Releases of Goods into and from Bonded Storage Facilities

Enforcement Date: 30 March 2026

Summary:

- Although customs notifications for entries and releases of goods to and from bonded storage areas (*Tempat Penimbunan Berikat* – "**TPB**") ("**TPB Documents**") may still be utilized by legal entities that organize and/or engage with commercial TPB ("**TPB Organizers/Businesses**") that are subject to permit suspensions, this Second Amendment clarifies that the utilization of said TPB Documents exempts entries of goods that receive facilities in the form of deferred import duty, excise exemptions, non-collection of taxes that relate to the import framework (*Pajak dalam Rangka Impor* – "**PDRI**") and/or non-collection of value-added tax (*Pajak Pertambahan Nilai* – "**PPN**") and luxury-goods sales tax (*Pajak Penjualan atas Barang Mewah* – "**PPnBM**"). The aforesaid exemption applies to the following types of goods entries: 1) Entries of goods from outside customs territory; 2) Entries of goods from other locations within customs territory (with the exception of returned goods that have been temporarily released); or 3) Entries of goods from other TPB (with the exception of returned goods that have been temporarily released).
- Newly featured under this Second Amendment, releases of imported goods from customs areas or other places categorized as temporary storage areas (*Tempat Penimbunan Sementara* – "**TPS**") that constitute re-entries of exported goods originating from bonded warehouses that function to store and distribute imported goods outside customs territory should be implemented without the submission of BC 1.1 position/sub-position data in line with the following conditions: 1) The issuance of TPB customs notifications can be completed in line with the securing of goods release approval letters (*Surat Persetujuan Pengeluaran Barang* – "**SPPB**"); and 2) Relevant customs-and-excise officers responsible for the supervision of releases of goods through unloading offices must record all such releases of goods (gate out) through the Service Computer System (*Sistem Komputer Pelayanan* – "**SKP**").

- Furthermore, the Second Amendment has now affirmed that any imported goods that enter a TPB may be partially utilized through a TPB Document for the entry of goods from a customs area into the TPB, if a portion of the imported goods are subject to prohibitions and/or restrictions, as specifically stated in the TPB Document, but have not yet fulfilled the relevant import requirements. The aforementioned imported goods should comprise goods that have been declared in the relevant TPB Document, must have fulfilled the import requirements and must not be subject to any prohibitions and/or restrictions.

61. Decree of the Director-General of Customs and Excise No. KEP-275/BC/2025 on the Full (Mandatory) Implementation of the Arrangement Between the Directorate-General of Customs and Excise at the Ministry of Finance of the Republic of Indonesia and the Government of Australia, Represented by the Department of Home Affairs (in Conjunction with the Australian Border Force) Regarding the Mutual Recognition of the Australian Trusted Trader Program in Australia and the Certified Economic Operator Program in Indonesia

Enforcement Date: 1 January 2026

Summary:

- This framework emphasizes the full implementation of various provisions that feature under the Mutual Recognition Arrangement on Authorized Economic Operators ("**AEO**"), as comprehensively set out under Appendix I to this Decree. These provisions specifically relate to the provision of trade facilities under an accelerated customs clearance framework, which will be achieved through a 20% risk level reduction on the regular risk engine for import channeling risk management.
- Said facilities will be made available subject to the following conditions: 1) Imported goods must originate from a port of loading in Australia; 2) Facility code 451 must be used, including the relevant AEO Trader Identification Number and Australian Trusted Trader authorization date; and 3) Imports must be completed for personal use and should be declared using the BC 2.0 Import Goods Notification.

Transportation and Logistic Services

62. Decree of the Director-General of Civil Aviation No. PR-DJPU 18 of 2025 on the Use of the Integrated Air Transportation Licensing System

Enforcement Date: 27 November 2025

Summary:

- This Regulation introduces the use of the Integrated Air Transportation Licensing System (*Sistem Perizinan Terpadu Angkutan Udara* - "**SIPTAU**"). The SIPTAU will now be used to issue licenses, amend data and develop a Risk-Based Business Licensing framework that encompasses Commercial and Non-Commercial Air Transportation Standard Certificates ("**Standard Certificates**"). The SIPTAU will be used to issue and make changes to data relating to Approvals of the Appointment of Representatives of Foreign Scheduled Commercial Air Transportation Companies. The SIPTAU is accessible at: https://sisfoangud.kemenhub.go.id/siptau.1.0 and has been integrated into the Online Single Submission ("**OSS**") system in order to process electronically-based business licenses in the form of Standard Certificates.
- In order to utilize the SIPTAU, relevant business actors operating within the air transportation sector should complete the following steps: 1) Direct registration through the system for Indonesian citizens and Indonesian legal entities; 2) Submission of an account creation application to the Directorate-General of Air Transportation for foreign scheduled commercial air transportation companies; and 3) Monitoring of the relevant application status through the SIPTAU after the complete submission of a correct set of required documents in accordance with the service processing timeframe (Service Level Agreement/SLA).
- It should be noted that prior to securing their Standard Certificates, business actors must have fulfilled various business requirements, as stipulated through the OSS system and under applicable Laws and Regulations, and must also have completed payments of relevant Non-Tax State Revenue (*Penerimaan Negara Bukan Pajak*/PNBP) in accordance with applicable Laws and Regulations.

63. Decree of the Director-General of Sea Transportation No. KP-DJPL 620 of 2025 on Guidelines and Self-Assessment Inspection Forms for Vulnerable Group-Friendly Passenger Terminal Facilities at Ports

Enforcement Date: 5 December 2025

Summary:

- This Decree establishes a new set of guidelines for self-assessments of vulnerable passenger terminal facilities at ports, as set out under Appendix I to this Decree, and also provides a self-assessment form for vulnerable passenger terminal services and facilities at ports, as set out under

Appendix II to this Decree. The guidelines cover: 1) Indicators for planned services and passenger terminal facilities for vulnerable groups at ports, along with illustrations; and 2) The stages involved in the implementation of self-assessments of passenger terminal facilities for vulnerable groups at ports, along with a flowchart that addresses the procedure for self-assessments of passenger terminal facilities for vulnerable groups at ports.

- Port operators are required to conduct self-assessments of passenger terminal facilities in line with the following timeframes: 1) At least once annually; and 2) After the occurrence of a force-majeure event. The results of said assessments should be reported in writing to the Director-General of Sea Transportation, cq. the Director of Ports, by a deadline of October of each year.

64. Decree of the Director-General of Sea Transportation No. KP-DJPL 621 of 2025 on Implementing Guidelines for the Technical Examination of Vessel Logbook Report Documents on Indonesian-Flagged Vessels

Enforcement Date: 5 December 2025

Summary:

- This Decree affirms that the organization of daily log books on Indonesian-flagged vessels is now mandatory for the following types of vessels: 1) Passenger vessels of all sizes; and 2) Motor cargo vessels of Gross Tonnage ("**GT**") 35 or more. However, any vessels that are in continuous operation abroad in locations in which no transportation attaché is present are permitted under this Decree to have the validation and certification (*exhibitum*) of their daily vessel log books carried out simultaneously alongside periodic inspections.
- The daily log books of passenger vessels and/or motor cargo vessels of GT 35 or more should include the following elements: 1) Deck log book; and 2) Engine log book. Meanwhile, daily log books for passenger vessels of less than GT 35, traditional passenger vessels and/or traditional motor cargo vessels should utilize a simplified log book format that encompasses the following elements: 1) Important events that occur onboard the ship; 2) Drills that are conducted onboard the ship; and 3) Daily activities that are conducted onboard the ship.
- It should also be noted that this Decree also affirms that the above-mentioned vessels' daily log books may also serve as evidence in relation to court proceedings.

Miscellaneous

65. Law No. 20 of 2025 on Criminal Procedural Law

Enforcement Date: 2 January 2026

Summary:

- Corporate criminal liability has now been specifically recognized and encompasses the attribution of criminal responsibility to corporations and persons in charge ("**PIC**") of corporations. In this regard, procedural rules have now clarified corporate representation during investigations, as well as the issuance and enforcement of summonses to designated PIC and the types of criminal sanctions that may be imposed, which have been limited to fines and additional penalties, along with various enforcement mechanisms if fines remain unpaid.
- A Deferred Prosecution Agreement ("**DPA**") framework has been introduced as an alternative mechanism and will now permit the prosecution of corporate criminal cases to be deferred, allowing proceedings to be suspended subject to compliance with specific obligations. The DPA process involves prosecutorial discretion, judicial reviews, court supervision during implementation and defined legal consequences, depending on whether a given DPA is approved, rejected or unfulfilled.
- In addition, a formal plea-bargaining mechanism has also now been introduced and will allow defendants to admit their guilt and cooperate with investigations in line with written agreements that are drawn up with public prosecutors. This mechanism is subject to strict statutory requirements and judicial oversight, with accepted pleas proceeding in accordance with a simplified hearing procedure and rejected pleas continuing to be processed through normal trials.

66. Regulation of Government No. 55 of 2025 on Procedures and Criteria for the Stipulation of Living Law Within Society

Enforcement Date: 3 January 2026

Summary:

- The Regulation sets out a framework that recognizes customary criminal offenses ("**Customary Offenses**") as a part of living law within society ("**Living Law**"), even though the general rule featured under Law No. 1 of 2023 on the Criminal Code (*Kitab Undang-Undang Hukum Pidana* – "**KUHP**") requires criminal offenses to be based on existing statutory provisions. Living Law may result in criminal liability for acts not expressly regulated under the KUHP, provided that said liability aligns with the national ideology of Pancasila, Indonesia's 1945 Constitution, notions of human rights and universally recognized legal principles, and is recognized and implemented by relevant customary law communities (*masyarakat adat*) ("**Communities**").

- The inclusion of Customary Offenses under Living Law follows a formal process that involves regional governments and the Regional House of Representatives (*Dewan Perwakilan Rakyat Daerah* – "**DPRD**"). Communities proposing Customary Offenses, which will then be reviewed in conjunction with community representatives, academics and/or researchers, as well as relevant civil society organizations. If a given proposal meets the required criteria, then it may be formalized through the issuance of a regional regulation that, among other matters, sets out the identity of the Community concerned, its territorial scope, the prohibited conduct, procedures for handling and resolution of cases, and the applicable customary obligations and sanctions.
- Customary Offenses are resolved primarily through processes of deliberation (*musyawarah*) that involve the relevant victim, the alleged offender and the relevant Community, with sanctions available to be imposed in the form of the fulfilment of customary obligations. For individuals, these sanctions are treated as equivalent to a Category II fine (i.e. Rp. 10 million) under the KUHP, while sanctions may be imposed on corporations in line with applicable laws. Furthermore, Customary Offense cases will not proceed through the formal criminal justice system if the customary obligations that are imposed have ultimately been fulfilled, if the accused is found not responsible or if the act in question does not qualify as a customary criminal offense.

67. Regulation of the Minister of Elementary and Secondary Education No. 4 of 2026 on the Protection of Educators and Education Workers

Enforcement Date: 12 January 2026

Summary:

- Upon entering into force, this Regulation officially repealed and replaced Regulation of the Minister of Education and Culture No. 10 of 2017 ("**Regulation 10/2017**"), which was the previous framework that governed the protection of educators (e.g. teachers, learning facilitators, tutors and instructors) and education workers (e.g. education unit managers, inspectors, librarians, laboratory staff and administrative staff).
- While retaining the four core protections that should be provided to the aforementioned educators and education workers, as previously mandated under Regulation 10/2017 (i.e. legal protections, professional protections, occupational health-and-safety protections, as well as the protection of intellectual property) during the course of their duties as educators and education workers, this Regulation now further details the conditions under which educators and education workers are entitled to enjoy legal protections (e.g. violence, threats, discrimination, intimidation and/or unfair treatment).
- This new framework also outlines non-litigation-based advocate protection, which may be provided to the aforementioned educators and education

workers. These protections may take the following forms: 1) Legal consultation; 2) Mediation; and/or 3) Fulfilment and/or restoration of educators and education workers' rights. In this regard, it should be noted that litigated disputes should be resolved through judicial processes if the aforementioned non-litigation methods fail to achieve a resolution between disputing parties.

68. Regulation of the Minister of Law No. 4 of 2026 on the Management of Complaint Reports

Enforcement Date: 13 January 2026

Summary:

- Upon entering into force, this Regulation officially repealed and replaced Regulation of the Minister of Law and Human Rights No. 25 of 2012, as subsequently amended by Regulation of the Minister of Law and Human Rights No. 57 of 2016 (collectively referred to as "**Regulation 25/2012**"), as the framework that governs the procedures and mechanism for the submission of complaints to the Ministry of Law ("**Ministry**").
- In essence, this Regulation affirms that employees of the Ministry, as well as members of the general public, may file complaints directly (through a Complaints Service Unit) or indirectly (e.g. via the official website of the Ministry, a complaints hotline and/or a dedicated WhatsApp channel used for the submission of complaints). In this regard, the aforementioned complaints reports should contain various types of information, including: 1) Identity of the reporter; 2) Identity of the reported party; 3) The reported information (e.g. location where the incident occurred, as well as the date, time and chronology of events); and 4) Evidence that indicates or explains the alleged violation.

69. Regulation of the National Commission on Human Rights No. 6 of 2025 on Human Rights Studies and Research

Enforcement Date: 31 December 2025

Summary:

- This new Regulation addresses the principles, scope and implementation of human rights studies and research, which are to be conducted by the members of the Sub-Commission for the Advancement of Human Rights and supported by the Bureau for Support for the Advancement of Human Rights. Human rights studies and research should be carried out in line with the following seven key principles: 1) Independence; 2) Justice; 3) Openness; 4) Accountability; 5) Impartiality; 6) Equality; and 7) Non-discrimination.

- The scope of human rights studies and research includes: 1) Studies of and research into various international human rights instruments, including applicable foreign laws and regulations, with the aim of providing recommendations regarding the possible accession, ratification and establishment of legal instruments related to human rights within Indonesia; 2) Publication of the results of studies and research; 3) Reviews of relevant literature, field studies and comparative studies in other countries regarding human rights; 4) Discussions of various issues related to the protection, enforcement and promotion of human rights; and 5) Collaborations relating to studies and research within the field of human rights with various organizations, institutions or other parties at the national, regional and international levels.

70. Regulation of the Business Competition Supervisory Commission No. 2 of 2026 on Procedures for the Implementation of the Duties and Authorities of the Business Competition Supervisory Commission

Enforcement Date: 14 January 2026

Summary:

- This framework stipulates the general duties and authorities of the Business Competition Supervisory Commission (*Komisi Pengawas Persaingan Usaha* – "**KPPU**"), which include the following, among others: 1) Conducting assessments, investigations and/or examinations of agreements or business activities that may result in monopolistic practices and/or unfair business competition; 2) Taking appropriate measures against such practices; and 3) Imposing administrative sanctions on business actors who violate relevant provisions. In this regard, the KPPU may delegate its duties and authorities to the Secretary-General, with the exception of the authority to impose sanctions.
- In exercising its duties and authorities, the KPPU must act independently of the influence and authority of any other party, including the government. The KPPU should also implement an accountability system, as well as engage in coordination, integration and synchronization efforts with relevant institutions.

71. Circular of the Supreme Court No. 1 of 2025 on the Enforcement of 2025 Supreme Court Chamber Plenary Meeting Result Formulations as Guidelines for the Implementation of the Duties of the Court

Enforcement Date: 30 December 2025

Summary:

- Indonesia's Supreme Court (*Mahkamah Agung* - "**MA**") has now consolidated and enforced various legal formulations (*rumusan hukum*) that derive from each of the six MA chamber plenary meetings ("**Formulations**") that were held during the 2012 - 2025 period under a single framework that is set out under this Circular. As a result, this Circular will now serve as a set of guidelines for the handling of cases across all levels of the judiciary, as well as in relation to secretariat programs. It should be noted in this regard that the Circular affirms that any Formulations that were drawn up during the 2012 - 2024 period were subsequently revised through the issuance of Formulations over subsequent years and have thus been declared no longer applicable.
- The 2025 Formulations themselves are outlined comprehensively under the Appendix to this Circular. In essence, the aforementioned Formulations encompass the following legal norms and principles along with their respective chambers: 1) Criminal Chamber (e.g. legal principles relating to permits for temporary releases from detention in urgent circumstances, which have now clarified that any failure to pay child support is not classified as a criminal act); 2) Civil Chamber (e.g. legal principles relating to permits to sell assets belonging to minors, as well as calculations and periods of compulsory payments [*dwangsom*]); 3) Religious Chamber (e.g. legal principles that address marriage-related guardianship for specific purposes); 4) Military Chamber (e.g. legal principles relating to the imposition of conditional sentences that waive additional penalties in the form of dismissals); and 5) State Administration Chamber (e.g. legal principles relating to the accumulation of claims against administrative decisions and/or actions).

72. Circular of the Supreme Court No. 1 of 2026 on Guidelines for the Implementation of the 2023 Criminal Code and the 2025 Criminal Procedure Code

Enforcement Date: 2 January 2026

Summary:

- This Circular states that if a trial had already commenced prior to the date upon which the law changed, then the evidentiary rules must follow the new law, unless the previous law is more favorable to the defendant. Technically, judges are now bound by a mandatory sentencing framework and may not disregard the eleven considerations stipulated under Article 54 (1) of the Criminal Code, which cover factors ranging from motives to the impacts of criminal acts. Furthermore, in any situation where an act is decriminalized under a new statute, then the court is required to issue a judicial determination terminating the proceedings by operation of law and ordering the defendant's release.
- In relation to business entities, the new framework sets a minimum corporate fine of Category IV (Rp. 200 million), which will be processed through a highly restrictive payment mechanism. In this regard, fines must

be settled within a one-month period, however, judges retain limited technical discretion to grant a one-month extension or allow payments to be completed in installments within a total timeframe of six months. Any failure to comply in this regard will result in the imposition of coercive enforcement measures, including asset seizures, auctions of corporate revenues and the partial or total suspension of corporate business activities.

- The Circular also operationalizes the Restorative Justice Mechanism (*Mekanisme Keadilan Restoratif* – "**MKR**") and the Guilty Plea Mechanism as procedural tools which can be employed in order to expedite the resolution of cases. The MKR allows for an investigation or prosecution to be terminated within three working days following the submission of an application to the Head of the District Court. Any such determination of a termination will be considered final and cannot be subject to any pretrial review. In parallel, the Guilty Plea Mechanism allows cases that carry a maximum prison sentence of seven years to be reclassified from ordinary proceedings to expedited examinations, thereby substantially reducing litigation times and costs.

73. Circular of the Deputy Attorney General for General Crimes No. B-48/E/Ejp/01/2026 on Guidelines for the Application of Article 67, Paragraph (3) of Law No. 20 of 2025 on the Criminal Procedural Code for the Handling of General Criminal Cases During the Transition Period

Enforcement Date: 8 January 2026

Summary:

- Regarding the transition period towards the full implementation of Article 67, Paragraph (3) of the framework of Law No. 20 of 2025 on Criminal Procedural Law (*Kitab Undang-Undang Hukum Acara Pidana* – "**KUHAP**"), this Circular sets out various technical provisions that address the appointment of public prosecutors through the issuance of official Letters of Appointment of Public Prosecutors (P-16A) in relation to cases whose pre-prosecution stage is handled by the Attorney General's Office or the High Prosecutor's Office. Said Letters of Appointment should set out the relevant Public Prosecutor responsible for the implementation of the pre-prosecution process, as well as the Public Prosecutor that has been assigned to the jurisdiction in which the criminal offence occurred (*locus delicti*).
- Pending the issuance of any implementing legal frameworks that specifically address Article 67, Paragraph (3) of the 2025 KUHAP, the prosecution of general criminal cases should be carried out by the Public Prosecutor who has been assigned to the locus delicti jurisdiction and should adhere to Articles 67 and 165 of the 2025 KUHAP unless otherwise determined by the Supreme Court. These provisions will remain applicable until further regulatory frameworks are issued by the Attorney General's Office.

74. Circular of the Deputy Attorney General for General Crimes No. B-5433/E/Ejp/12/2025 of 2025 on Procedures for the Handling of Cases During the Transitional Period for Criminal Law Reform and the Enforcement of the New Criminal Code and New Criminal Procedural Code

Enforcement Date: 30 December 2025

Summary:

- This Circular outlines various provisions that will now apply in the wake of the enforcement of Law No. 1 of 2023 on the Criminal Law Code (*Kitab Undang-Undang Hukum Pidana* – "**KUHP**") ("**New KUHP**") and Law No. 20 of 2025 on Criminal Procedural Law (*Kitab Undang-Undang Hukum Acara Pidana* – "**KUHAP**") ("**New KUHAP**"). The New KUHP generally applies across all legal stages (i.e. investigations, prosecutions and court trials), unless the previous framework of the *Wetboek van Strafrecht* ("**Old KUHP**") provides more favorable outcomes for perpetrators and accomplices. Meanwhile, the New KUHAP will only apply during this period if a case has not yet been investigated, prosecuted or brought before the court.
- This Circular also sets out clear parameters that should be used in order to determine whether a given provision should be considered more favorable. These parameters include changes in criminal sanctions, decriminalization and modifications to the elements of criminal offenses. Provisions will now be deemed more favorable in situations where they reduce sentences, eliminate criminal liability, reclassify offenses as complaint-based (*delik aduan*) offenses or raise the threshold for the establishment of criminal liability.
- The Circular mandates that public prosecutors should carefully review cases across all of their stages, from investigations to the execution of sentences. This includes coordinating with investigators in order to adjust charges, documenting changes, checking detention requirements and drawing up indictments and sentencing requests in line with the New KUHP. Any appeals that are filed after 2 January 2026 must refer to the New KUHP, while final judgments under the Old KUHP will remain valid unless the New KUHP offers more favorable outcomes.

75. Guidelines of the Attorney General No. 1 of 2026 on the Coordination Framework for Investigators and Public Prosecutors for the Handling of General Criminal Cases

Enforcement Date: 2 January 2026

Summary:

- This set of guidelines address technical coordination between investigators and public prosecutors that is pursued in line with Law No. 20 of 2025 on Criminal Procedural Law (*Kitab Undang-Undang Hukum Acara Pidana* – "**KUHAP**"), as well as the strengthening of the prosecutor's role as dominus litis through their active involvement during the investigation stage in order to ensure the completeness of evidence and procedural efficiency.
- This framework introduces firm rules on the submission of Notices of Commencement of Investigation (*Surat Pemberitahuan Dimulainya Penyidikan* - "**SPDP**"), including the setting of strict timelines for SPDP submissions (seven days). These guidelines also mandate early prosecutorial reviews and intensive coordination in order to adequately assess evidence, determine suspects and apply restorative justice, with internal case conferences being available to resolve differing views.
- In certain cases that involve complex evidence-related issues or losses to the state economy, the Public Prosecutor is authorized to conduct additional examinations on an independent basis in order to clarify criminal offenses. These examinations may include the summoning of witnesses, searches and seizures, which should be carried out within a maximum period of 14 business days after the relevant investigator submits their investigation results.

76. Draft Bill on the Protection of Witnesses and Victims

Enforcement Date: -

Summary:

- If it is ultimately enforced, then this Draft Bill will repeal and replace Law No. 13 of 2006, as subsequently amended by Law No. 31 of 2014 (collectively referred to as "**Law 13/2006**"), as the umbrella framework that governs the protection of witnesses and victims. Although the Draft Bill continues to ensure that witnesses and victims will be entitled to enjoy the various protections that were initially featured under Law 13/2006, this forthcoming framework now explicitly specifies that said protections will be extended to the following parties: 1) Cooperating witnesses (i.e. suspects, defendants or convicted persons who cooperate with law enforcement officers in order to expose criminal offenses); 2) Reporters (i.e. persons who submit reports, information or statements to law enforcement officers in relation to cases that will occur, are in the process of occurring or have occurred); 3) Informants (i.e. persons who confidentially provide accurate data and/or information to relevant authorized institutions regarding alleged, ongoing or completed legal incidents); and/or 4) Experts (i.e. persons who possess knowledge within a particular field, as evidenced through academic degrees or specific types of certification and/or possession of special experience and skills that relate to specific cases).
- This Draft Bill has also expanded the scope of the protections that can be provided under Law 13/2006 from 16 to 18 forms of protection through the inclusion of the following two new forms: 1) Secure protection from digital

threats; and 2) Participation in recovery programs (e.g. medical services, psychosocial and psychological services and/or other types of recovery programs). Furthermore, this Draft Bill will also ensure that the following additional rights will be specifically granted to victims: 1) Health insurance coverage; 2) Other social security benefits; and/or 3) Funding for recovery services sourced from the Victims' Endowment Fund (i.e. funds will be provided for the purpose of victim recovery).

- In terms of the aforementioned Victims' Endowment Fund, the Draft Bill affirms that said funds will be managed by the Witness and Victim Protection Agency (*Lembaga Perlindungan Saksi dan Korban* – "**LPSK**"), will be obtained from multiple sources of funding and will be allocated on an annual basis. Moreover, the Victims' Endowment Fund will provide aid to victims in the form of funding and/or participation in recovery service programs (e.g. assistance funds for victims of crimes of sexual violence).