

# BLP NEWSLETTER

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As Indonesia celebrates its 80th Independence Day, we highlight key regulatory developments shaping the nation's legal and business landscape. These changes reflect the country's push toward stronger governance, digital transformation, and market efficiency.

From modernised e-mediation guidelines by BAPPEBTI and a new eSIM regulatory framework, to a new delegation framework for land rights and registration in Batam Free Trade and Free Port and the Capital City of Nusantara, these measures boost investment certainty and connectivity.

In the financial sector, BI-FAST fraud controls, the digitisation of securities, and integrated fit-and-proper tests in fintech signal a more secure, transparent, and investor-friendly environment for Indonesia's evolving capital markets.

Trade and industry also see major shifts, with updated standardisation rules, streamlined import regulations, and targeted relaxations for specific commodities—enhancing compliance while supporting business growth and competitiveness.

Warm regards,  
The BLP Team

## Integration of Fit and Proper Test Regulations in the Financial Technology Innovation and Digital Asset Sectors

by Valya Hermayrani

Indonesia's Financial Services Authority (*Otoritas Jasa Keuangan* – OJK) has introduced a consolidated framework for conducting fit and proper tests in the fast-evolving sectors of financial technology innovation, digital financial assets, and crypto assets\*. Effective 1 October 2025, the regulation aims to strengthen governance and safeguard the integrity of individuals in strategic positions.

Previously, fit and proper test requirements were spread across multiple sectoral regulations. The new framework streamlines them into one unified set of rules applying to directors, commissioners, and controlling shareholders. These individuals — referred to as primary parties — must meet OJK's standards of integrity, competence, financial reputation, and overall suitability before assuming their roles.

In line with earlier provisions, primary parties are prohibited from carrying out their duties until they receive formal approval from OJK based on the fit and proper test results. This acts as a preventive safeguard, ensuring only qualified individuals can occupy key positions.

The regulation also harmonises the procedures for re-assessment, which may be triggered if there are indications of misconduct or deficiencies in integrity, competence, or financial reputation. For sharia-based service providers, violations of sharia principles are now expressly recognised as grounds for re-assessment — a requirement introduced for the first time.

By integrating previously fragmented provisions into a single, transparent, and prudent structure, OJK reinforces its commitment to building a credible, well-governed, and sustainable digital financial ecosystem. This step also supports broader efforts to maintain investor confidence and regulatory clarity in one of Indonesia's most dynamic market segments.

\*Financial Services Authority Regulation Number 16 of 2025 on the Fit and Proper Test and Re-assessment of Primary Parties in the Financial Sector Innovation, Digital Financial Asset, and Crypto Asset Sector



## Indonesia Digitizes Securities Market: New Rules on Scripless Shares and Unclaimed Assets

by Raisa Nashwa Syafiq



Indonesia has taken a significant step toward modernizing its capital markets with the issuance of New Regulation\*. Effective from 28 April 2025, the New Regulation requires all public companies to issue equity and debt securities, as well as sukuk, exclusively in scripless (electronic) form. It also mandates the conversion of all outstanding physical share certificates into electronic records — known as *Dematerialisasi Efek Bersifat Ekuitas* (Dematerialisasi EBE) — within five years.

The dematerialization process begins with shareholders submitting proof of ownership or collective share certificates to the company's appointed Securities Administration Bureau (*Biro Administrasi Efek* – BAE) or to the public company itself if it manages its own share registry. Validation of documents must be completed within two business days. To ensure broad awareness, BAEs and public companies must announce the program at least twice a year, detailing the timeframe, procedures, and required documents through the stock exchange website (for listed issuers), the company's official website, and by registered mail to shareholders. All announcements must be made in both Bahasa Indonesia and English.

After the initial five-year conversion window, physical share certificates will no longer be tradable on the stock exchange, transferable over the counter, or otherwise transacted until they have been dematerialized. Shareholders will then have an additional five years to submit claims for unconverted shares. Once this period expires, any remaining physical shares will be classified as unclaimed assets and managed by a party appointed by Indonesian Financial Services Authority (*Otoritas Jasa Keuangan* or OJK)

Throughout the process, all parties involved — including BAEs, public companies, custodians, and investment managers — are required to uphold consumer protection principles in line with financial services regulations. While the timeline provides a ten-year transition in total, companies are strongly advised to start the conversion process early to prevent trading restrictions and ensure smooth compliance with New Regulation.

\*OJK Regulation No. 9 of 2025 on the Dematerialization of Equity Securities and the Management of Unclaimed Assets in the Capital Market.

## BAPPEBTI's E-Mediation Guidelines: A Step Forward in Modernising Dispute Resolution

by Annisa Ayu A.

Indonesia's commodity futures sector has taken another step toward digital transformation. On 17 June 2025, the Commodity Futures Trading Regulatory Agency (*Badan Pengawas Perdagangan Berjangka Komoditi* or "BAPPEBTI") introduced new guidelines for electronic mediation ("*E-Mediation*") through Circular Letter No. 209/2025\*, implementing a mandate under Article 17 of BAPPEBTI Regulation No. 4 of 2020\*\*.

While mediation has long formed part of the dispute resolution framework, the introduction of the E-Mediation guidelines reflects a recognition of the need to improve speed, accessibility, and cost efficiency, particularly in an industry where market volatility can make timely resolutions essential.

Under the Circular Letter No. 209/2025, E-Mediation may be initiated in specific situations:

- a. when both parties agree to the process;
- b. when the customer's health prevents them from travelling, as evidenced by a doctor's certificate; or
- c. when the customer resides in a remote, frontier, or outermost (3T) region.

All E-Mediation proceedings are confidential unless the parties agree otherwise. The process must conclude within 21 business days after broker-level dispute resolution, and once initiated, it cannot be cancelled or restarted for the same dispute.

If the parties reach a settlement, the agreement must be formalised in writing, signed electronically, and include essential details such as the settlement terms, time and place, the identities of the parties and mediator, the background of the dispute, and the agreed resolution. Such agreements are final and binding. If no settlement is achieved, customers may pursue other dispute resolution mechanisms under BAPPEBTI Regulation No. 4 of 2020.

The introduction of E-Mediation is more than a procedural update. It signals BAPPEBTI's commitment to aligning Indonesia's commodity futures dispute resolution framework with global trends in digital justice, balancing efficiency with procedural safeguards. For futures exchanges, this is not only a compliance requirement but also an opportunity to strengthen customer trust and streamline their dispute-handling processes.

\*BAPPEBTI Circular Letter No. 209/BAPPBETI/SE/06/2025 on the Implementation of Electronic Mediation at the Futures Exchanges to Settle Customer Disputes in the Commodity Futures Trading Industry ("**Circular Letter No. 209/2025**").

\*\*BAPPEBTI Regulation No. 4 of 2020 on the Guidelines for Resolving Customer Disputes in the Commodity Futures Trading Sector ("**BAPPEBTI Regulation No. 4 of 2020**").

## New eSIM Regulatory Framework: Accelerating Indonesia's Digital Connectivity

by Mohammad Faiq Abiyyan



On 10 April 2025, the Indonesian government took a decisive step towards modernising its digital infrastructure with the enactment of Ministry of Communication and Digital Affairs Regulation No. 7 of 2025 ("**New Regulation**"). The measure is designed to support the rapid expansion of technologies such as the Internet of Things (IoT) and machine-to-machine (M2M) communications, both of which are increasingly critical to sectors ranging from consumer electronics to industrial automation.

Unlike conventional SIM cards, which are physical and user-replaceable, embedded SIMs (eSIMs) are integrated directly into devices and can be activated remotely. This innovation offers greater flexibility, enhanced data security, and more seamless integration across devices and networks. However, it also introduces new compliance responsibilities for Indonesia's mobile satellite network providers ("**Providers**").

The New Regulation sets out a series of key obligations for Providers intending to implement eSIM-based services, including:

- a. establishing and operating systems capable of managing local International Mobile Subscriber Identity (IMSI) numbers;
- b. integrating subscription management systems with both Mobile Subscriber Integrated Services Digital Network (MSISDN)—essentially the phone numbers assigned to mobile users—and local IMSI numbers;
- c. ensuring customer registration processes meet identity verification and data accuracy standards;
- d. adopting standard operating procedures (SOPs) to safeguard customer privacy and comply with personal data protection laws;
- e. implementing data security measures in all eSIM provisioning systems, including encryption, access control, and certified system use; and
- f. where third-party vendors are engaged, ensuring they are registered as Electronic Systems Operators (*Penyelenggara Sistem Elektronik* or PSE) and comply with applicable standards.

Non-compliance carries consequences. The Ministry may issue up to three written warnings (each allowing 30 working days for rectification) and may publicly disclose violations on its official website.

Recognising the operational adjustments required, the New Regulation provides a two-year transition period for Providers currently utilizing, or planning to adopt, eSIM technology. By 11 April 2027, all relevant systems, processes, and infrastructure must align with the regulatory framework.

The introduction of this framework is more than a technical upgrade—it reflects Indonesia's ambition to position itself as a digitally competitive economy. By setting clear technical, security, and compliance standards, the New Regulation lays the groundwork for more secure, scalable, and interoperable connectivity, opening the door for innovation across industries and creating a more resilient digital ecosystem.

## New Rules on Land Rights in Batam Free Trade and Free Port and the Capital City of Nusantara

by Faudzan Eka Putra

The Ministry of Agrarian Affairs and Spatial Planning/National Land Agency ("**Ministry**") has introduced a New Regulation\* to refine the delegation of authority for determining land rights and conducting land registration activities. The measure aims to improve service efficiency and facilitate investment, particularly in strategic zones such as the Batam Free Trade and Free Port ("**Batam**") and the Capital City of Nusantara.

Under the New Regulation, certain powers previously held by the Ministry are delegated — and in some cases sub-delegated — to Heads of Regional Offices and Heads of Land Offices. The scope of authority is determined by factors including geographic conditions, population density, land area, land value, and potential risk of disputes. A key feature is the special allocation of authority in Batam and Capital City of Nusantara to accelerate the investment process in these priority areas.

In the Batam Free Trade and Free Port, the Head of the Regional Office is authorised to grant the Right to Build (*Hak Guna Bangunan* or HGB) to legal entities on state land for areas of up to 250,000 square metres, and on land under a Right to Manage (*Hak Pengelolaan* or HPL) for areas exceeding 1,000,000 square metres but not more than 2,000,000 square metres. For the Right to Use (*Hak Pakai* or HP), the Regional Office may grant rights to legal entities on non-agricultural state land up to 250,000 square metres, and on non-agricultural HPL land between 1,000,000 and 2,000,000 square metres. The Head of the Land Office may grant HGB to legal entities on HPL land for areas up to 1,000,000 square metres, and HP on non-agricultural HPL land for areas of up to 1,000,000 square metres.

In the Capital City of Nusantara, the regulation centralises decision-making at the Regional Office level. The Head of the Regional Office has sole authority to grant HGB for legal entities on HPL land within the Nusantara area, as well as HP for legal entities on HPL land — whether agricultural or non-agricultural — within the same jurisdiction.

By reallocating decision-making closer to the regional level, the regulation is expected to shorten approval timelines, enhance investment certainty, and ensure land administration in these high-priority regions is more responsive to local and strategic needs.

\*Minister of Agrarian Affairs and Spatial Planning/National Land Agency Regulation No. 5 of 2025 on the Delegation of Authority for the Determination of Land Rights and Land Registration Activities.

## Sector-Based Import Regulation for Chemicals, Hazardous Materials, and Mining Materials

by Shafa Femalea Sekar Nuswantari



In June 2025, the Indonesian Government overhauled its import control framework covering all sectors by revoking the previous regulations\* and introducing a new sector-based regime, including for chemicals, hazardous materials, and mining materials sector. This change was formalised through Minister of Trade Regulation No. 20 of 2025 on the Policy and Regulation of Import of Chemicals, Hazardous Materials, and Mining Materials, aiming to simplify procedures and provide clearer guidance for import-related business activities.

The regulation covers eleven categories of goods, including lubricant raw materials, cement clinker and cement, rough diamonds, non-pharmaceutical precursors, oil and natural gas, nitrocellulose (NC), commercial explosives, ozone-depleting substances (ODS), hazardous materials, hydrofluorocarbons, and certain chemicals (*Bahan Kimia Tertentu* or **BKT**).

Importers of these commodities must secure the required documentation before goods enter Indonesian customs territory. While the specific requirements vary depending on the product, the framework recognises three main types of documentation:

- Registration validation** — either as a Registered Importer (*Importir Terdaftar* or IT) for trade purposes (API-U holders) or as a Producer Importer (*Importir Produsen* or IP) for self-use (API-P holders).
- Import Approval** (*Persetujuan Impor* or PI) — formal authorisation from the Ministry of Trade to conduct import activities.
- Surveyor Report** (*Laporan Surveyor* or LS) — verification results from an appointed surveyor.

One of the most notable changes is the relaxation of bureaucratic requirements for certain BKT commodities. Importers of BKT under HS Codes 28.35 and 29.15 are now exempt from obtaining a PI, requiring only an LS. For other products, the requirements remain largely unchanged from previous regulations — for example, oil and natural gas imports still require a PI, while hazardous materials continue to require IT/IP, PI, and LS.

The regulation also adjusts the scope of exemptions. Notably, it removes the exemption previously granted for the import of oil and gas for motorsport purposes, regardless of whether conducted for non-commercial use by importers that unable to have Business Identification Number (*Nomor Induk Berusaha* or NIB) which is valid as an Importer Identification Number (API) or importers that may have an NIB which is valid as an API.

By clarifying requirements while easing processes for certain commodities, this regulation is intended to improve administrative efficiency, strengthen oversight, and provide greater certainty for businesses engaged in importing regulated goods.

\*The Ministry of Trade Regulation No. 36 of 2023 on Import Policies and Regulation, including its amendments, which was lastly amended by the Ministry of Trade Regulation No. 8 of 2024 on the Third Amendment of The Ministry of Trade Regulation No. 36 of 2023 on Import Policies and Regulation, including its amendments, which was lastly amended by the Ministry of Trade Regulation No. 8 of 2024

## Permendag No. 15 of 2025: Strengthening Indonesia's Trade Sector Standardization Framework

by Rizky Aprihandini

On 10 June 2025, the Ministry of Trade issued Permendag No. 15 of 2025\*, which came into force on 17 June 2025. This regulation replaces and expands upon the previous framework under Permendag No. 26 of 2021\*\* (as amended by Permendag No. 21 of 2023\*\*\*) and Permendag No. 81 of 2019\*\*\*\*, addressing regulatory gaps and introducing broader compliance requirements for business actors.

A central change lies in the mechanism for conformity assessment — the process of verifying whether goods and/or services comply with the Indonesian National Standard (*Standar Nasional Indonesia* or "SNI") or other applicable technical requirements. Under the new rules, this assessment must be conducted by domestic Conformity Assessment Bodies (*Lembaga Penilaian Kesesuaian* or "LPK") accredited by the National Accreditation Committee (*Komite Akreditasi Nasional* or "KAN") or licensed by the National Professional Certification

Agency (*Badan Nasional Sertifikasi Profesi* or “**BNSP**”). The inclusion of BNSP-licensed LPKs represents a notable expansion from the 2019 regulation, which recognised only KAN-accredited entities.

The conformity assessment may involve testing, inspection, and/or certification. If the goods or services meet the relevant standards, the LPK will issue a Certificate of Conformity, which serves as the basis for approval to use the SNI mark or other authorised conformity marks. Without such certification or marking, producers, importers, service providers, and agents are prohibited from distributing products subject to mandatory SNI or technical requirements, while exporters are barred from exporting such goods or services.



To obtain a Certificate of Conformity, business actors must apply to a designated LPK and submit supporting documentation as prescribed under the relevant trade regulations. By formalising this process and widening the pool of eligible conformity assessment bodies, Permendag No. 15 of 2025 seeks to improve regulatory clarity, enhance consumer protection, and strengthen the competitiveness of Indonesian goods and services in both domestic and international markets. For producers, importers, service providers, and agents, the broader network of accredited and licensed LPKs is expected to shorten certification timelines, reduce administrative bottlenecks, and accelerate the time-to-market — enabling businesses to respond more quickly to domestic demand and capture export opportunities without unnecessary delays.

\*Ministry of Trade Regulation No. 15 of 2025 concerning Trade Sector Standardization

\*\*Ministry of Trade Regulation Number 26 of 2021 concerning the Stipulation of Business Activity and Product Standards in the Implementation of Risk-Based Business Licensing in the Trade Sector

\*\*\*Ministry of Trade Regulation Number 21 of 2023 concerning the Amendment to Ministry of Trade Regulation Number 26 of 2021 concerning the Stipulation of Business Activity and Product Standards in the Implementation of Risk-Based Business Licensing in the Trade Sector.

\*\*\*\*Ministry of Trade Regulation No. 81 of 2019 concerning Trade Sector Standardization.

## BI-FAST Tightens Fraud and Cybersecurity Measures: What It Means for Customers

by Kumalasari Retnopati

Bank Indonesia (“**BI**”) has issued Governor’s Board Member Regulation No. 14 of 2025, the second amendment to the rules governing the BI-FAST payment system (the “**Regulation**”). Effective 30 June 2025, the Regulation enhances fraud prevention, transaction monitoring, and cyber incident handling within BI-FAST. Certain technology protection requirements must also be met by 1 January 2026.

When fraud is suspected, a bank or financial institution authorised to provide BI-FAST services (*BI-FAST participant*) must notify BI within 30 minutes via the BI-FAST helpdesk or another designated channel and submit a complete fraud report within three calendar days. If a transaction is confirmed to be unauthorised, or if the customer’s account is suspected to be a mule account, the receiving bank may freeze, close the account, or return the funds to the sender.

For customers, this means that transactions flagged as suspicious—whether by your bank or the counterparty’s bank—may be delayed, frozen, or returned. While potentially disruptive, these measures are designed to protect your funds before any loss occurs.

The Regulation also strengthens cyber resilience. BI-FAST participants must report any cyber incident within one hour and maintain a “stop button” mechanism to suspend services during anomalies, fraud events, or cyberattacks. BI may temporarily halt BI-FAST operations across the network, either with prior notice or in urgent situations, to safeguard the system.

These measures provide tangible benefits: faster alerts allow banks to block illicit transfers before withdrawal; interbank cooperation ensures fraudulent activity is addressed across the payment network; and shutting down mule accounts reduces exposure to illicit fund flows. However, the tighter controls may also result in payment delays.

Customers are advised to anticipate these changes by reviewing payment workflows, verifying counterparties, and maintaining clear communication with their bank. This proactive approach will help minimise disruption while taking advantage of BI’s strengthened safeguards against financial crime and cyber threats.

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