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As we welcome Eid al-Fitr at the close of Ramadan, this edition highlights regulatory developments shaping Indonesia's corporate, financial, trade, and sustainability landscape. Together, these changes reflect a continued focus on governance, accountability, and legal certainty. This month, we examine reforms to corporate administration, tighter data governance standards for banks, and a new framework governing the use of public offering proceeds—each pointing to a more disciplined approach to compliance, transparency, and investor protection.

We also cover mandatory ISPO certification for palm oil-based bioenergy businesses and new rules on domestic distribution arrangements, underscoring Indonesia's broader effort to strengthen traceability, contractual clarity, and oversight across key sectors of the economy. For those celebrating, we wish you a blessed Eid al-Fitr. May this season bring renewal, prosperity, and meaningful opportunities in the months ahead.

Streamlining Corporate Administration under The New Regulation

by Valya Hermayarani

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On 11 December 2025, the Indonesian Ministry of Law issued Minister of Law Regulation No. 49 of 2025 ("**Permenkum No. 49/2025**"), introducing an updated regulatory framework governing the establishment, amendment, and dissolution of limited liability companies (*Perseroan Terbatas* or "**PT**"). The regulation replaces the previous framework under Minister of Law and Human Rights Regulation No. 21 of 2021, reflecting the government's broader effort to modernize corporate administration and improve the efficiency of legal services for business entities.

One of the most notable developments is the stronger procedural emphasis on beneficial ownership transparency. While beneficial ownership disclosure has already been regulated under separate rules, Permenkum No. 49/2025 now requires supporting beneficial owner documents to be attached to applications for the establishment of a PT and for amendments to its articles of association. This is a meaningful procedural shift, as the earlier framework did not expressly require those documents to be submitted as part of the relevant corporate filings.

Permenkum No. 49/2025 also provides greater clarity on corporate reporting obligations, particularly in relation to annual reports. Approval of a PT's annual report by the general meeting of shareholders (*Rapat Umum Pemegang Saham* or "**RUPS**") must now be recorded in a notarial deed and notified to the Minister through a notary within 30 days from the date of the deed, using the Legal Entity Administration System (*Sistem Administrasi Badan Hukum* or "**SABH**"), together with the required supporting documents. Non-compliance may trigger administrative sanctions, including a written warning and suspension of access to the SABH system.

Taken together, these changes signal a more disciplined and documentation-driven approach to corporate administration in Indonesia. By embedding beneficial ownership disclosure more directly into company filings and tightening procedural requirements for annual reporting, Permenkum No. 49/2025 reinforces the Government's focus on transparency, governance, and a more efficient corporate legal infrastructure.

OJK Strengthens Governance of the Use of Public Offering Proceeds

by Annisa Ayu A.

On 19 December 2025, Indonesia's Financial Services Authority (*Otoritas Jasa Keuangan* or "**OJK**") issued OJK Regulation No. 40 of 2025* (the "**New Regulation**"), which will take effect on 22 June 2026, upon which OJK Regulation No. 30 of 2015** will be revoked and replaced. The New Regulation moves beyond the previous reporting-focused approach and introduces a broader governance framework for the planning, use, reporting, disclosure, and oversight of public offering proceeds. Its overall direction is clear: stronger investor protection and greater issuer accountability in the management of public funds.

One of the most notable changes is the expanded transparency requirement. Under the new regime, issuers must not only submit a report on the realization of the use of proceeds (*Laporan Realisasi Penggunaan Dana* or "**LRPD**") to OJK but must also publicly disclose that report. This reflects a shift toward ensuring that investors have access to the same information provided to the regulator. The LRPD must, at a minimum, be disclosed on the issuer's website. For issuers listed on a stock exchange, the disclosure must also be published through the stock exchange's official website. The disclosure must be made in Bahasa Indonesia and at least one foreign language, namely English.

The New Regulation also introduces clearer rules on the segregation of public offering proceeds. Issuers are required to place the proceeds in a dedicated account opened in their name at a commercial bank or Islamic commercial bank supervised by OJK. That account must be kept separate from the issuer's operational accounts, reinforcing the principle that public offering proceeds should be managed distinctly from day-to-day business funds.

In addition, OJK has tightened restrictions on how unused proceeds may be handled. The existing prohibition on using unused proceeds as collateral remains in place, but the New Regulation goes further by expressly prohibiting the use of such proceeds to finance share buybacks. This addition underscores OJK's intention to ensure that funds raised from the public are used consistently with their stated purpose and are not diverted to transactions that could alter capital management priorities.

Taken together, the New Regulation signals a more disciplined and transparent approach to post-offering fund management. For issuers, the new framework is likely to require closer coordination across finance, legal, compliance, and investor relations functions as the June 2026 effective date approaches.

Regulatory References:

*OJK Regulation No. 40 of 2025 on the Use of Proceeds from Public Offering.

**OJK Regulation No. 30/POJK.04/2015 on Report on the Realization of the Use of Proceeds from Public Offering.

Provisions for Adjustments to Distribution Agreements

by Faudzan Eka Putra

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The Indonesian Government has again updated the regulatory framework for the trade sector through Government Regulation No. 3 of 2026, which amends Government Regulation No. 29 of 2021 on the Implementation of Trade (the **"Regulation"**). The amendment is intended to support the smooth circulation of goods in the domestic market while providing greater legal certainty for businesses engaged in distribution activities.

At a general level, the Regulation reaffirms that the distribution of goods in domestic trade may be carried out either directly to consumers or indirectly through distribution businesses. It also provides greater clarity on how legal relationships within the distribution chain must be documented, an issue that is particularly relevant for businesses relying on multiple layers of distribution or franchise arrangements.

Indirect distribution may take place through the general distribution chain, including distributors, agents, wholesalers, retailers, and their respective networks, and may also be conducted through a franchise system. While this structure largely reflects existing market practice, the Regulation introduces a more defined approach to the contractual basis of those relationships.

One of the key changes lies in the form of documentation now required for distribution arrangements. Under the previous framework, a distribution relationship could be evidenced by an agreement, an appointment, and/or written proof of transaction. Under the new Regulation, however, the relationship between distribution businesses and distributors, agents, and franchisees must be based on an agreement. By contrast, relationships involving wholesalers and retailers may still be evidenced by an agreement, an appointment, and/or written proof of transaction. This distinction is likely to be significant in practice, particularly for businesses reviewing the legal basis of their existing distribution structures.

The Regulation also retains the ability of domestic producers to appoint sole distributors or sole agents for specific marketing areas. At the same time, it introduces greater commercial flexibility by removing the previous requirement for a minimum five-year appointment period for sole distributors or sole agents. This allows businesses to structure the duration of their distribution arrangements more freely, in line with commercial strategy and market conditions.

Further rules on agreements governing distribution by distributors or agents are expected to be issued under a ministerial regulation. As of now, however, that implementing regulation has not yet been released.

Taken together, these amendments suggest a more structured yet commercially flexible approach to domestic distribution. By placing greater emphasis on formal agreements for key distribution relationships while relaxing fixed appointment periods, the Regulation appears aimed at strengthening legal certainty without losing sight of business practicality in Indonesia's evolving trade landscape.

Strengthening the Personal Data Protection Regime in the Implementation of Information Technology in the Banking Sector

by Ivanya Amadea

Indonesia's Financial Services Authority (*Otoritas Jasa Keuangan* or **"OJK"**) has reinforced data governance requirements for commercial banks through Regulation of Members of the Board of Commissioners of OJK No. 1 of 2026 ("**PADK OJK No. 1/2026**"), an implementing regulation of OJK Regulation No. 11/POJK.03/2022 on The Organization of Information Technology by Commercial Banks. The new rules reflect OJK's expectation that banks manage data more rigorously as digital banking becomes increasingly central to business operations.

At its core, PADK OJK No. 1/2026 requires banks to manage data across its full lifecycle while applying personal data protection principles in line with applicable laws, including Law No. 27 of 2022 on Personal Data Protection. In practical terms, this means banks must maintain clear controls over how data is collected, processed, stored, shared, retained, and ultimately deleted.

For data collection and processing, banks must ensure that personal data is processed on a valid legal basis. In the banking sector, this will often mean customer or prospective customer consent. PADK OJK No. 1/2026 requires that consent be explicit, properly documented, and presented in clear language. Customers must be informed of the purpose of processing, the legal basis relied upon, and their right to withdraw consent. Automatic consent mechanisms, such as pre-ticked boxes, are not permitted.

The regulation also strengthens requirements for data storage and internal management. Banks must establish a comprehensive data management system within their overall information technology architecture and apply security measures that match the sensitivity and criticality of the data involved. This includes data classification, encryption, role-based access control, authentication mechanisms, key management, and a full data lifecycle framework covering creation, use, storage, archiving, retention, and disposal.

Where data is shared with third parties, banks must have adequate policies, standards, and procedures in place. These must cover the types of data that may be shared, consent requirements, request and disclosure processes, transmission methods, and communication security. Data-sharing arrangements must also be supported by a proper agreement setting out the scope and purpose of processing, the categories of personal data involved, the parties' respective rights and obligations, and the security measures to be implemented.

PADK OJK No. 1/2026 further requires banks to adopt clear retention policies and to delete personal data once the applicable retention period has expired. In addition, a Personal Data Protection Impact Assessment must be conducted where processing activities present a high risk to data subjects, including the use of new technologies, location or behavioural tracking, large-scale monitoring, or the processing of sensitive personal data.

Taken together, these requirements signal a more disciplined approach to data governance in Indonesia's banking sector, with personal data protection positioned as a key element of compliance, operational resilience, and customer trust.

Permen ESDM No. 3/2026: Extending Mandatory ISPO Certification to Palm Oil-Based Bioenergy Businesses

by Rizky Aprihandini

On 13 January 2026, Indonesia's Minister of Energy and Mineral Resources issued Minister of Energy and Mineral Resources Regulation No. 3 of 2026 ("**Permen ESDM No. 3/2026**") as the technical implementing regulation of Presidential Regulation No. 16 of 2025 on the Indonesian Sustainable Palm Oil Certification System. Effective 22 January 2026, the regulation marks a significant expansion of the Indonesian Sustainable Palm Oil ("**ISPO**") framework by extending mandatory certification to palm oil-based bioenergy businesses for the first time. This includes businesses producing biofuel (*bahan bakar nabati*), biomass, and biogas derived from palm oil. With the compliance deadline set for 20 March 2027, affected businesses now face a relatively short preparation window.

Under Permen ESDM No. 3/2026, ISPO certification for bioenergy businesses must be implemented in line with three core principles: compliance with applicable laws and regulations, supply chain traceability (*ketertelusuran*), and continuous improvement across economic, social, and environmental aspects. This signals that certification is not intended to function as a one-time administrative exercise, but as a broader governance and sustainability standard for the sector.

To obtain an ISPO certificate, a bioenergy company must submit an application to an ISPO Certification Body (*Lembaga Sertifikasi ISPO* or LS ISPO), namely an independent certification body accredited by the National Accreditation Committee (*Komite Akreditasi Nasional* or KAN) for the relevant bioenergy certification scope. Once the certification process is completed and the certificate is issued, the company must report its issuance to the Minister of Energy and Mineral Resources within five working days. The certificate remains valid for five years, and any renewal application must be submitted at least one year before expiry to avoid a lapse in certification status.

The regulation also establishes a structured enforcement framework. Non-compliance — including failure to obtain certification, renew it on time, maintain compliance with ISPO principles, or report the issued certificate to the Minister — may trigger a sequence of administrative sanctions. These include up to three written warnings, each issued 30 calendar days apart, followed by an administrative fine and, ultimately, temporary suspension of business activities. Where no implementing regulation on fines is yet in force, the Minister may move directly to suspension.

Taken together, Permen ESDM No. 3/2026 places palm oil-based bioenergy businesses within Indonesia's formal sustainability certification architecture, reinforcing the Government's broader effort to tighten traceability, accountability, and environmental governance across the downstream palm oil sector.

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