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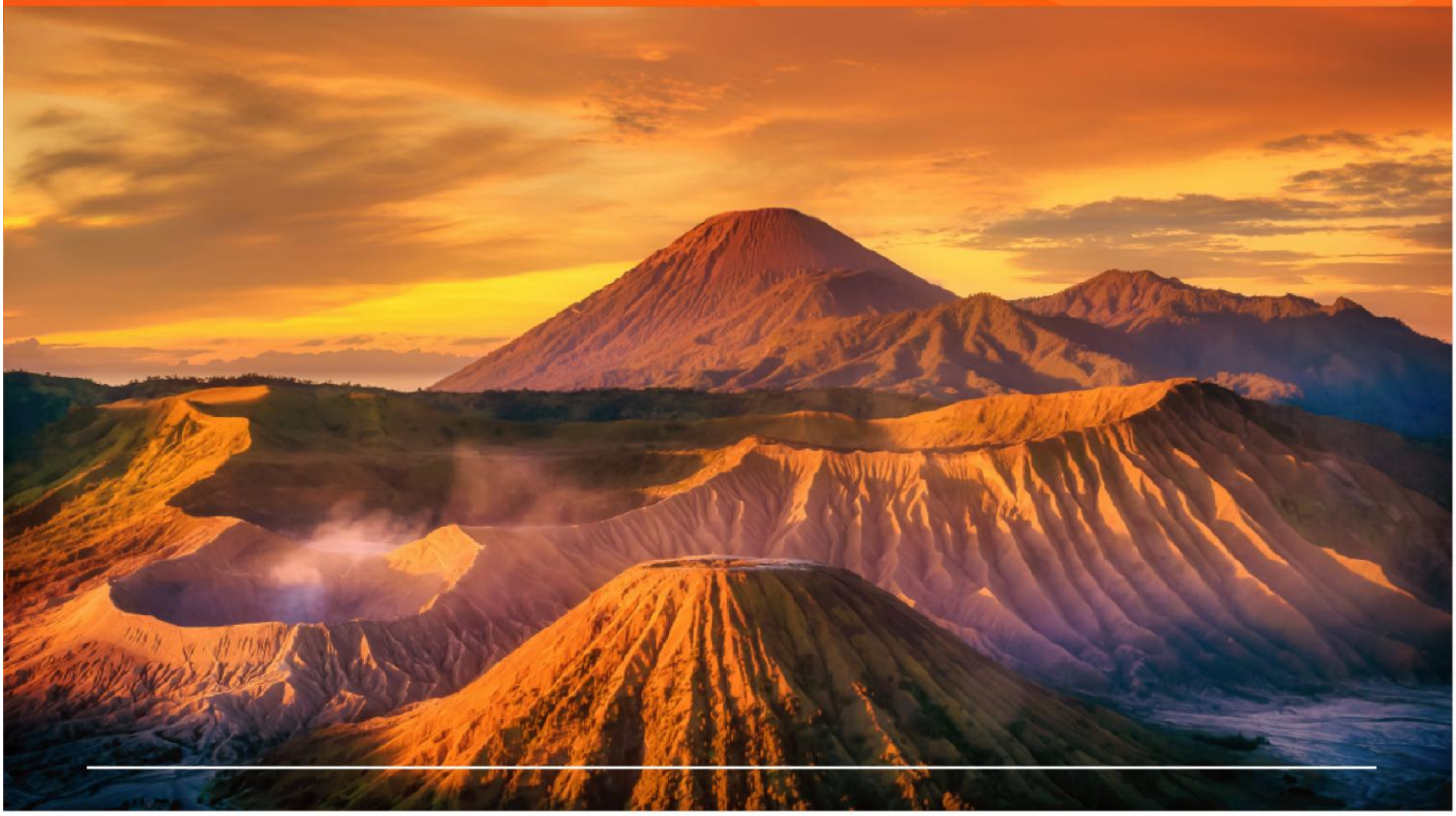
Regional Round-Up 2025: Indonesia



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Introduction

Throughout the year, we have been keeping you up to date on noteworthy developments across the region with our Regional Round-up Publications. As we enter 2026, we are pleased to share with you our *2025 year-in-review of the Regional Round-up* for our Regional Offices in the Rajah & Tann Asia network.

In each jurisdiction, we recount the key milestones in the path that has been travelled in 2025, as well as consider the terrain of the road that lies ahead in 2026. In the "***Looking Back: 2025***" section, we take stock of the past year and highlight the key legal and regulatory developments affecting each jurisdiction in 2025. In the "***Gazing Into: 2026***" section, we look ahead to some key areas of development that you should take note of in the year to come, referencing the legal and business trends shaping up potential legislative and regulatory changes in each jurisdiction.

We hope that this year-in-review edition of the Regional Round-up provides some perspective and insight into the legal landscape of the jurisdictions across the region. As always, please feel free to contact our lawyers in our Regional Offices if you have any queries or for further discussions.

Please click on the links below to access the full collection of our country-specific *2025 year-in-review of the Regional Round-up*:

- Cambodia
- China
- Indonesia
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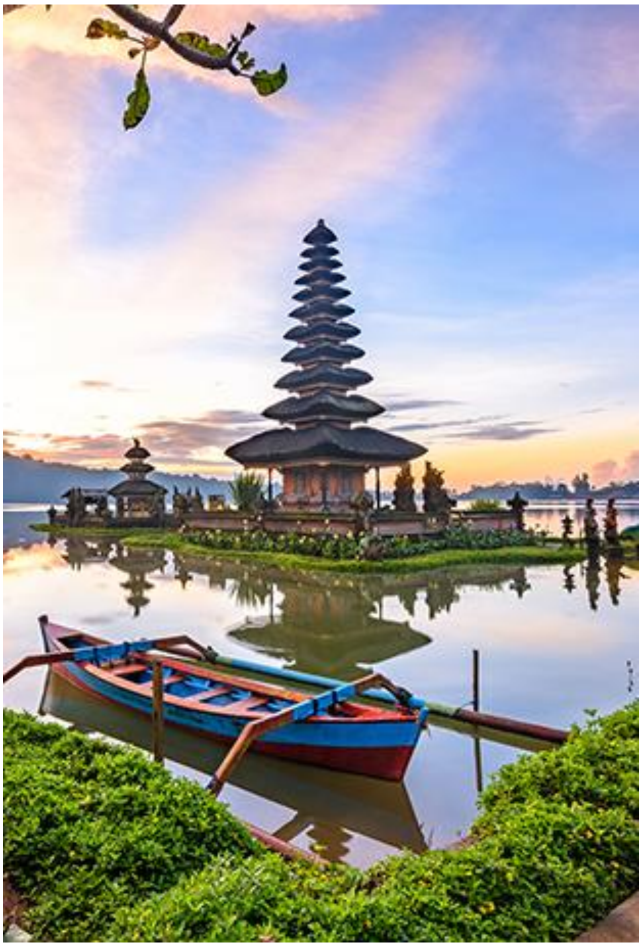
Looking Back: 2025

Throughout 2025, Indonesia's regulatory environment evolved rapidly across financial services, digital governance, environmental policy, data protection, and corporate transparency. Regulatory authorities sharpened oversight in **fintech and crypto markets**, strengthened **consumer and child online protection**, modernised **procurement and capital-market systems**, expanded **renewable-energy frameworks**, and realigned responsibilities across government bodies. Corporate governance reforms have been advanced through **stricter beneficial-ownership rules**, while courts and regulators clarified long-standing uncertainties in emerging areas such as **data protection** and **digital-asset transactions**. Taken together, 2025 was marked by a decisive shift toward modernisation, accountability, and alignment with global standards across multiple sectors.



Summaries of the key developments relating to the above areas are provided below.

Corporate Commercial – Indonesia Updates Beneficial Ownership Disclosure Rules – Major Changes that Will Affect Every Business

Indonesia introduced a new verification and supervision framework for beneficial-ownership reporting under Minister of Law Regulation No. 2/2025 ("**Regulation**"). The Regulation expands the scope of entities required to disclose their beneficial owners, strengthens compliance obligations, and introduces risk-based verification and administrative sanctions. The shift from government-led supervision to a self-compliance model places greater responsibility on corporations to maintain accurate, up-to-date ownership records. Click here for more information.

Data Protection – Indonesia's PDP Law Update – Broader DPO Mandate Confirmed, Further Clarity Expected on Data Disclosure and Cross-Border Transfers

A Constitutional Court ruling clarified that organisations must appoint a Data Protection Officer ("**DPO**") if any one of the Law on Personal Data Protection's (PDP Law) three high-risk criteria is met, replacing the previous interpretation that required all conditions to be met simultaneously. This significantly broadens the scope of entities subject to mandatory DPO appointment and strengthens Indonesia's data-protection regime. Additional constitutional challenges remain under review, particularly relating to cross-border data transfers and criminal-liability provisions. Click here for more information.

Tax – New Income Tax and VAT Rules for Crypto Transactions in Indonesia

Indonesia’s new tax framework for crypto transactions reclassifies crypto assets as securities, eliminating value-added tax (VAT) on their transfer while maintaining VAT on related platform and mining services. It introduces a 0.21% final income tax on crypto sales via PPMSEs (which are electronic system operators or *penyelenggara perdagangan melalui sistem elektronik*) and subjects platform operators and miners to the general 22% corporate income tax.

Overall, the reforms enhance legal certainty, strengthen regulatory oversight under the Financial Services Authority (*Otoritas Jasa Keuangan* or OJK), and align Indonesia's digital asset taxation with international financial standards. Click here for more information.

Gazing Into: 2026

Indonesia enters 2026 with several key legislative frameworks moving into operational or advanced deliberation stages. The year marks the implementation of Indonesia's **Criminal Code** (*Kitab Undang-Undang Hukum Pidana* or **"KUHP"**) and Criminal Procedure Code (*Kitab Undang-Undang Hukum Acara Pidana* or **"KUHAP"**), alongside continued progress on the **New and Renewable Energy Bill** (*Rancangan Undang-Undang Energi Baru dan Terbarukan* or **"RUU EBET"**) and the **Draft Law on Business Entities** (*Rancangan Undang-Undang Badan Usaha* or **"RUU Badan Usaha"**), which aims to harmonise Indonesia's fragmented business-entity regulations. Together, these frameworks reflect ongoing structural changes in **criminal justice**, **energy governance** and **corporate regulation**.

Summaries of the key developments relating to the above areas are provided below.

Dispute Resolution – Enforcement of the New KUHP and KUHAP

The new KUHP and KUHAP are now in effect across Indonesia, replacing the colonial-era penal code and the 1981 procedural framework. The KUHP introduces restorative justice approaches, alternative sanctions and updated classifications of criminal conduct. The KUHAP strengthens procedural safeguards, expands access to legal assistance and integrates digital processes into investigation and trial stages. Several implementing regulations remain pending, and early 2026 will be a period of adjustment for police, prosecutors and courts as they align operational practices with the updated legal framework.

Energy – New and Renewable Energy Bill

The RUU EBET remains one of the most anticipated items under the 2026 Priority National Legislation Program ("**2026 Priority Prolegnas**"). The latest draft, dated 18 July 2025, outlines licensing, commercial participation and public-interest provisions related to new and renewable energy. Debate continues on the power-wheeling mechanism, which allows independent power producers to transmit electricity directly to consumers through the national grid. Civil society groups note the need to prioritise "renewable energy" over "new energy", as several technologies classified under the latter still rely on fossil-derived inputs. Parliamentary discussions carry over into 2026 following delayed enactment in late 2025.

Corporate Commercial – Corporate Law Consolidation Including the RUU Badan Usaha

The RUU Badan Usaha progresses as part of the general corporate cluster in the 2026 Priority Prolegnas. The draft restructures fundamental rules for Limited Liability Companies (*Perseroan Terbatas* or PT) under Law 40/2007, including corporate establishment, shareholder rights, dispute resolution mechanisms and digital administration of share transactions. It also strengthens beneficial-ownership verification through the Legal Entity Administration System (*Sistem Administrasi Badan Hukum* or SABH) to improve data accuracy on directors, commissioners and share transfers. Harmonisation across related laws, including the Law on Foundations and presidential guidelines on beneficial ownership, forms part of the drafting objectives.

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