

Key Takeaways on the Recent Change of Indonesian General Corporate Law: Discussion on Minister of Law Regulation No. 49/2025

Background

The Indonesian government, through the Minister of Law, has recently issued Minister of Law Regulation No. 49 of 2025 on the Requirements and Procedures for the Establishment, Amendment, and Dissolution of a Limited Liability Company (**MoL Reg 49/2025**). This new regulation revokes the previous Minister of Law Regulation No. 21 of 2021 on the same subject. In this client update, we will outline the key provisions of MoL Reg 49/2025 and highlight important obligations that limited liability companies in Indonesia should be aware of.

We have identified several key highlights that address the important changes of MoL Reg. 49/2025, as below:

1. Beneficial Ownership Disclosure Requirements

One of the most material developments introduced under MoL Reg 49/2025 is the obligation of beneficial ownership (*pemilik manfaat*) within the scope of corporate establishment and post-establishment actions. Under MoL Reg 49/2025, the beneficial owner is defined as an individual who, among others:

- a. has the authority to appoint or dismiss members of the Board of Directors (**BoD**) or Board of Commissioners (**BoC**);
- b. has the ability to control the corporation, whether directly or indirectly;
- c. is entitled to receive benefits from the corporation, either directly or indirectly; or
- d. is the ultimate owner of the corporation's funds or shares.

In practical terms, the beneficial owner refers to an individual who, for any lawful reason, exercises control over and/or derives economic benefits from a corporation, regardless of whether such control or benefit arises through formal shareholding arrangements. In connection with the establishment of a company, amendments to the Articles of Association and/or amendments of corporate data (**Corporate Amendment**), companies are now required to disclose the beneficial ownership information and submit supporting documents, including:

- a. a power of attorney from the BoD authorizing the notary to submit beneficial ownership information;
- b. a statement letter from the BoD identifying the beneficial owners of the company; and
- c. a consent letter from each identified Beneficial Owner.

These documents must be submitted through the appointed notary and retained by the notary upon completion of the application process. This represents a significant change from previous MoL regulation, which did not expressly require the submission of beneficial ownership documentation as part of corporate establishment and/or Corporate Amendment. As a result, limited liability companies are now required to conduct a more thorough internal assessment of ownership and control structures prior to undertaking Corporate Amendment.

2. Detailed Documents Requirements for Corporate Amendment

MoL Reg 49/2025 provides a more detailed and comprehensive list of supporting documents that must be submitted in applications for Corporate Amendment. Depending on the nature of the amendment, the required documents may include:

- a. minutes of a General Meeting of Shareholders (GMS) approving the amendment, or shareholders' resolutions adopted outside a meeting;
- b. deeds of share transfer;
- c. recommendations or approvals from relevant ministries or government institutions in regulated sectors;
- d. proof of announcement in a national newspaper;
- e. the company's tax identification number (NPWP);
- f. proof of capital contribution, including bank statements, current-year balance sheets, or other acceptable evidence;
- g. confirmation of the company's registered address issued by the building management or competent authority;
- h. official determinations or approvals regarding changes in shareholder names issued by competent authorities;
- i. annual financial statements; and/or
- j. Beneficial Ownership documentation as described above.

Under MoL Reg 21/2021, these supporting documents were not comprehensively enumerated. Therefore, this regulation enhances transparency and procedural clarity by expressly identifying the documents that must be submitted at the time of application.

3. Examination Procedure

MoL Reg 49/2025 introduces a structured examination mechanism for applications relating to Corporate Amendment. Key procedural points include:

- a. applications are examined after submission and must be processed within 14 business days;
- b. if discrepancies in information or incomplete documentation are identified, the application will be returned to the notary for completion within 7 business days; and
- c. failure to complete the required documentation within the prescribed period may result in rejection of the application, although resubmission remains possible.

Where an application is deemed complete and compliant, the Minister of Law, through the Director General of General Legal Administration (**Director General**), will issue the relevant approval decision or notification receipt electronically through Legal Entity Administrative System (*Sistem Administrasi Badan Hukum* - **SABH**).

4. Mandatory Submission of Annual Reports and Administrative Sanctions

Another notable development under MoL Reg 49/2025 is the introduction of a mandatory obligation for companies to submit their annual reports to the Minister of Law. This regulation stipulated that the BoD is required to ensure that the company's annual report, as approved by the GMS and set out in a notarial deed, is submitted electronically through SABH by the notary within 30 business days from the execution of the relevant deed. Failure to comply with this obligation may result in administrative sanctions, including written warning and suspension or blocking of access to SABH.

Following the issuance of a written warning, the company must fulfill the specified requirements within 30 business days. Continued non-compliance may lead to SABH access blocking, which could significantly impede the company's ability to undertake future Corporate Amendment. Limited liability companies may apply for reinstatement of access upon rectifying the non-compliance.

5. Non-Electronic Submissions in Exceptional Circumstances

Recognizing the operational dependence of SABH on internet connectivity, MoL Reg 49/2025 allows for non-electronic submissions in limited circumstances. Such submissions are permitted where:

- a. internet disruptions are officially confirmed through announcements by local authorities; or
- b. technical failures of SABH are officially announced by the Minister of Law.

This provision ensures continuity of administrative processes in exceptional situations while maintaining the primacy of electronic submissions.

Practical Considerations for Companies

In light of the enactment of MoL Reg 49/2025, companies should take the following practical steps to ensure compliance and avoid administrative disruptions:

a. Identification of Beneficial Owner

Companies should proactively identify and document their Beneficial Owners in accordance with the expanded definition under MoL Reg 49/2025, particularly where ownership or control structures are complex or involve multiple layers.

b. Early Preparation for Amendment

Beneficial Ownership documentation should be prepared at an early stage of any planned Corporate Amendment, as the absence or incompleteness of such documents may delay or prevent the processing of applications through SABH.

c. Review of Internal Governance Procedures

Companies are advised to review internal governance and compliance procedures to ensure consistency between corporate records, ownership information, and data submitted to the Minister of Law.

d. Timely Submission of Annual Reports

BoD should closely monitor deadlines for the submission of annual reports, as failure to comply may result in administrative sanctions, including warnings or suspension of access to SABH.

Remarks

MoL Reg 49/2025 reflects the Indonesian government's continued focus on strengthening corporate transparency, administrative accountability, and regulatory oversight, particularly in relation to Beneficial Ownership and post-establishment compliance. While the regulation largely builds upon existing practices, it formalizes several obligations that may have significant practical implications if not properly addressed.

Companies are therefore encouraged to take a proactive approach in reviewing their ownership structures, internal governance procedures, and ongoing compliance obligations to ensure alignment with the updated regulatory framework. Early preparation and close coordination with notary will be essential in minimizing administrative risks and avoiding potential disruptions to corporate actions.

We will continue to monitor developments relating to the implementation of MoL Reg 49/2025 and remain available to assist clients in assessing the impact of these changes on their corporate structures and compliance strategies.

For detailed guidance on how these changes will affect your specific business operations or to ensure full compliance with the updated regulations, please contact us at info@tnklaw.id or (021) - 2528636.

Tamba and Kumara Law Offices is a full-service Indonesian corporate and commercial law firm with high-quality legal services with a broad range of domestic and international clients.

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