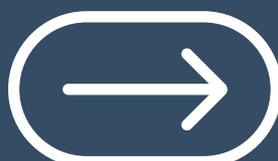


NewsLetter



**Navigating the New Compliance Mandate:
Why MoL Reg. 49/2025 is a Critical Turning Point for
Indonesian Corporates**



five minutes read

INTRODUCTION

The landscape of corporate administration in Indonesia has undergone a significant transformation. On December 11, 2025, the Ministry of Law of the Republic of Indonesia officially enacted Minister of Law Regulation No. 49 of 2025 on the Requirements and Procedures for the Establishment, Amendment, and Dissolution of Limited Liability Company Legal Entities (*Peraturan Menteri Hukum No. 49 Tahun 2025 tentang Syarat dan Tata Cara Pendirian, Perubahan, dan Pembubaran Badan Hukum Perseroan Terbatas* or "**MoL Reg. 49/2025**").

This regulation is a strategic response to the evolving legal environment, aiming to create a more transparent, effective, and accountable corporate legal service within the Ministry of Law. For business players, this is not merely a procedural update; it signals a shift toward stricter ongoing compliance and digital accountability.



THE ENACTMENT: A TRANSITION TO MODERN GOVERNANCE

MoL Reg. 49/2025 was signed and became effective on December 11, 2025. With its enactment, the previous Minister of Law and Human Rights Regulation No. 21 of 2021 (*Peraturan Menteri Hukum dan Hak Asasi Manusia Nomor 21 Tahun 2021*) is officially revoked and declared null and void.

The new regulation introduces a more rigorous framework for the Legal Entity Administration System (*Sistem Administrasi Badan Hukum* or "**SABH**"), emphasizing that Limited Liability Companies (*Perseroan Terbatas* or "**PT**"), both Capital Partnerships (*Persekutuan Modal*) and Individual Companies (*Perseroan Perorangan*), must adhere to heightened reporting standards to maintain their active status in the national registry.

KEY REGULATORY SHIFTS: COMPLIANCE IS NO LONGER OPTIONAL

The most critical changes introduced by MoL Reg. 49/2025 revolve around the lifecycle of a company and its ongoing reporting obligations. Below are the pivotal updates:

1. Mandatory Submission of Annual Reports (Article 16) – Unlike the previous regime, MoL Reg. 49/2025 explicitly requires the Board of Directors of a Capital Partnership PT to submit the Annual Report, as approved by the General Meeting of Shareholders (RUPS), to the Minister via a Notary.

- Deadline: This must be submitted within 30 (thirty) days after the signing of the Notarial Deed regarding the RUPS approval.
- Required Content: The report must include financial statements (balance sheets, profit/loss, cash flow), social and environmental responsibility reports, and details of any issues affecting the company's business activities.



2. Stricter Administrative Sanctions and "SABH Blocking" (Articles 17 & 18) – This is perhaps the most crucial change for business players. Failure to comply with the reporting deadlines or requirements will trigger administrative sanctions:

- Written Warning: Initially delivered via SABH notifications or email.
- Blocking of Access: If the company fails to rectify the non-compliance within 30 days of the warning, the Ministry will block access to SABH. A blocked status prevents the company from performing any corporate actions (e.g., changing directors, increasing capital, or transferring shares) until the compliance issue is resolved.

3. Enhanced Examination Process (Article 13) – The Ministry has formalized a 14-business day window to examine applications for amendments or data changes. If documents are incomplete, Notaries are granted only 7 days to rectify the submission, failing which the application will be rejected.

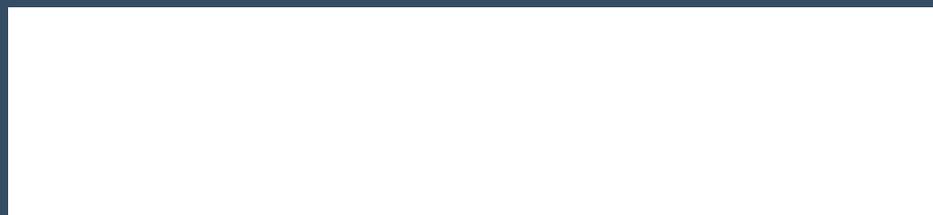
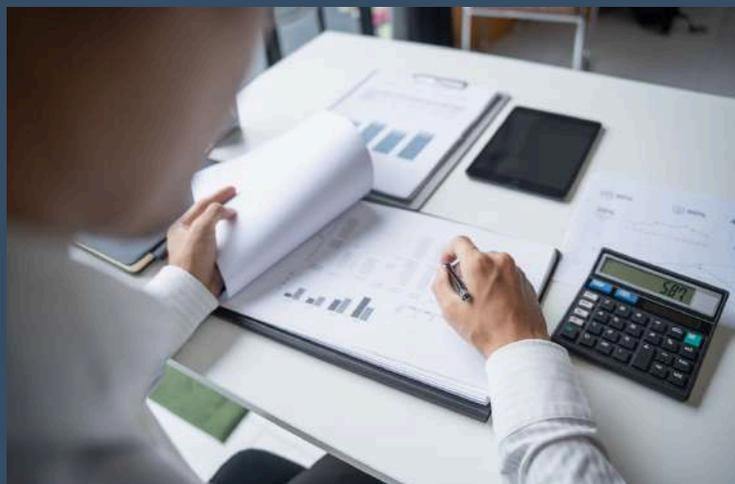
4. Explicit Beneficial Ownership Requirements Building on existing transparency laws – Articles 6 and 10 reinforce that every establishment and amendment must include a Beneficial Owner (*Pemilik Manfaat*) declaration, including a statement of approval from the Beneficial Owner themselves.



TRANSITIONAL PROVISIONS AND TIMELINES

The Ministry acknowledges that companies may need time to adjust to these new electronic reporting standards.

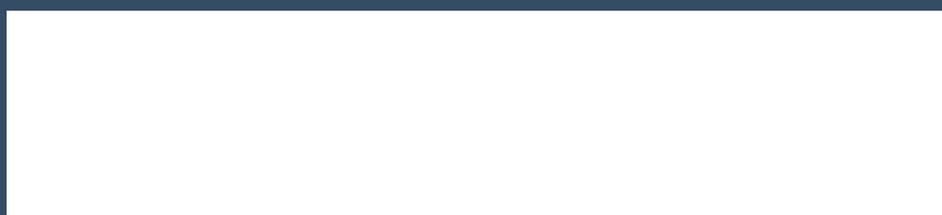
- **Grace Period for Non-Electronic Reporting (Article 32):** Companies that have not yet transitioned to the fully electronic reporting system are granted a maximum of 6 (six) months from the enactment date (until approximately June 2026) to submit financial reports non-electronically.
- **Immediate Effect:** For all other corporate actions—such as new establishments or changes to the Board of Directors, the requirements of MoL Reg. 49/2025 apply **immediately**.



CONCLUSION

The enactment of MoL Reg. 49/2025 marks a definitive end to the "file and forget" era of corporate administration in Indonesia. The introduction of mandatory annual report submissions and the severe penalty of SABH blocking means that corporate compliance must now be a permanent fixture on the Board's agenda.

We believe that regulatory changes are an opportunity to strengthen corporate integrity. We invite you to contact our advisors to ensure your business remains compliant and competitive in this new regulatory environment.

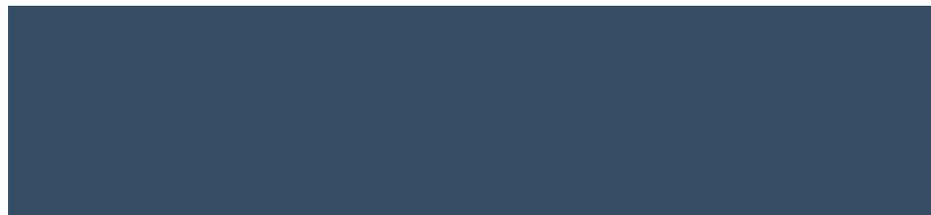




HOW PRS CAN ASSIST

In light of the potential for SABH Blocking, which can paralyze corporate operations, proactive governance is essential. PRS Corporate Advisory provides high-end, bespoke legal services to ensure your firm remains in good standing:

- **Corporate Secretarial Audit:** We conduct thorough reviews of your company's historical filings to identify any gaps that could trigger a Ministry warning.
- **Annual Compliance Management:** PRS manages the end-to-end process of RUPS documentation and the subsequent mandatory reporting to the Ministry under Article 16, ensuring all deadlines are met with precision.
- **SABH Restoration Services:** Should your company face a block or rejection under Articles 17 or 18, our team specializes in navigating the rectification process to restore your company's active status in the SABH system.
- **Beneficial Ownership Advisory:** We assist in accurately identifying and documenting Beneficial Owners to meet the rigorous standards of MoL Reg. 49/2025.



About Us

Pasaka Rievan Smith - Counsellors at Law (“**PRS**”) is comprised of a team of dedicated and trusted lawyers with over 20 years of experience in the legal industry, spanning law firms, multinational corporations, and government institutions. We provide prompt, precise legal counsel and opinions, offering both legal and commercial perspectives to support corporate clients. Confident in our ability to meet the diverse needs of our clients, PRS enables them to focus on achieving their business objectives. With experience in assisting start-ups, growing enterprises, established organizations, and family-owned businesses, we are committed to delivering both personal and professional attention, ensuring the utmost satisfaction for our clients.

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Should you wish to learn more about this topic or require tailored legal advice, please contact us at inquiry@pasakarievanlaw.com — our qualified lawyers will be pleased to assist you.