

Key Highlights of Minister of Law Regulation No. 49 of 2025

On 17 December 2025, the Government enacted Minister of Law Regulation No. 49 of 2025 concerning the Requirements and Procedures for the Establishment, Amendment, and Dissolution of Limited Liability Companies (“**MoL Reg. 49/2025**”). This regulation officially revokes and replaces Minister of Law and Human Rights Regulation No. 21 of 2021 concerning the Requirements and Procedures for the Registration of the Establishment, Amendment, and Dissolution of Limited Liability Companies (“**MoLHR Reg. 21/2021**”).

Based on Article 1 number 1 of the Law No. 40 of 2007 concerning Limited Liability Company, as partially amended by Law No. 6 of 2023 concerning Stipulation of Government Regulation in Lieu of Law Number 2 of 2022 concerning Job Creation into Law (“**Company Law**”) jo. Article 1 number 1 of MoL Reg. 49/2025, there are 2 (two) types of limited liability companies: (i) a capital partnership company (locally known as *PT persekutuan modal*), which is established by 2 (two) or more parties (whether individuals and/or legal entities), and (ii) individual company (locally known as *PT perorangan*), which is established by 1 (one) person and meets the criteria of Micro, Small, and Medium Enterprises (MSMEs).

MoL Reg. 49/2025 introduces several key updates for both capital partnership companies and individual companies, although most of the changes primarily affect capital partnership companies. The key highlights of MoL Reg. 49/2025 are as follows:

1. Centralization and Strengthened Compliance Through the Legal Entity Administration System

Although the Legal Entity Administration System (locally known as *Sistem Administrasi Badan Hukum* – “**SABH**”) had already been regulated under MoLHR Reg. 21/2021, MoL Reg. 49/2025 enhances its function by reinforcing SABH not merely as an electronic filing platform facilitating the establishment, amendment, and dissolution of the companies pursuant to the Company Law, but as an integrated system for corporate administrative control and compliance supervision. SABH operates as an electronic information technology service for companies organized by the Directorate General of General Legal Administration.

Below are the actions that must be submitted electronically to Minister of Law (“**MoL**”) via SABH:

- a. Submission of the capital partnership company establishment form at the time of establishment (Article 5 of MoL Reg. 49/2025);
- b. Submission relating to the change to the Articles of Association (“**AoA**”) and change to the company’s data of a capital partnership company (Article 10 of MoL Reg. 49/2025);

- c. Submission of approval of the annual report by the GMS by a capital partnership company (Article 16 of MoL Reg. 49/2025);
- d. Submission of a request to unblock the access to the Director General of General Legal Administration (locally known as *Direktur Jenderal Administrasi Hukum Umum – “Director General”*) for a capital partnership company (Article 19 of MoL Reg. 49/2025);
- e. Submission of the individual company establishment form at the time of establishment (Article 21 of MoL Reg. 49/2025);
- f. Submission relating to the change to statement of establishment of an individual company (Article 23 of MoL Reg. 49/2025); and
- g. Submission of statement of dissolution of an individual company (Article 29 of MoL Reg. 49/2025).

Therefore, all administrative outputs, including:

- (i) decree letters from MoL for the ratification of the establishment of a capital partnership company or the establishment of an individual company;
- (ii) decree letters or letters of receipt of notification from MoL for any changes to the AoA and changes to the company’s data of a capital partnership company;
- (iii) decree letters for any change to the statement of establishment of an individual company;
- (iv) letters of receipt of notification upon acceptance of the approval of the annual report from a capital partnership company; and
- (v) letters of receipt of notification from MoL regarding the revocation of the legal entity status of an individual company;

will also be issued electronically by the MoL through the Director General via SABH.

However, Article 30 of MoL Reg. 49/2025 also stipulates that in the event that: (a) a notary’s office experiences internet network disruptions based on an official announcement from the regional government; or (b) SABH is not functioning properly based on an official announcement by the MoL, the notary may submit applications for the registration of the establishment, amendment, or dissolution of a company in a non-electronic manner. The procedures for such non-electronic applications shall be determined by the Director General.

2. Integration Beneficial Ownership For Capital Partnership Companies

MoL Reg. 49/2025 provided the definition of beneficial owner (locally known as *pemilik manfaat*). Beneficial Owners are individuals who can appoint or dismiss directors, commissioners, managers, advisors or supervisors in a corporation, have the ability to control the corporation, are entitled to and/or receive benefits from the corporation either directly or indirectly, are the actual owners of the funds or shares of the corporation and/or

meet the criteria as referred to in the provisions of laws and regulations (Article 1 number 3 of MoL Reg. 49/2025).

While beneficial ownership transparency or disclosure had previously been governed under separate instruments, MoL Reg. 49/2025 integrates such disclosure directly into the company registration and amendment process through SABH. This integration represents a significant development compared to MoLHR Reg. 21/2021, which did not expressly require the submission of beneficial ownership supporting documents as part of corporate filings.

Under MoL Reg. 49/2025, applicants are required to submit additional supporting documents relating to the company's beneficial ownership when: (i) completing the capital partnership company establishment form at the time of establishment (Article 6 paragraph (1) letter i of MoL Reg. 49/2025); and (ii) applying for changes to the AoA and/or changes to the company's data (Article 10 paragraph (4) letter j of MoL Reg. 49/2025).

The required beneficial ownership supporting documents consist of the following:

1. a power of attorney from the Board of Directors ("**BOD**") to a notary regarding the submission of information about the beneficial owner;
2. a statement from the BOD stating the name of the beneficial owner; and
3. a letter of approval as the beneficial owner of the company.

The abovementioned beneficial ownership supporting documents must also be retained by the notary as part of the documents relating to changes to the AoA and changes to the company's data (Article 11 letter j and Article 12 paragraph (1) letter j of MoL Reg. 49/2025).

3. Alignment with Company Law in Determining Corporate Amendments

Article 9 paragraph (1) of MoLHR Reg. 21/2021 only stipulates that changes to the AoA and changes to the company's data is determined through a GMS. The provision did not expressly recognized other forms of shareholders's decision-making mechanism. However, Article 9 paragraph (1) of MoL Reg. 49/2025 clarifies that the changes to the AoA and changes to the company's data can be determined through (i) a GMS or (ii) a binding shareholders' resolution in lieu of GMS. This clarification aligns with the Article 91 of Company Law, which provides that shareholders can also make binding resolutions outside the GMS, provided that all shareholders with voting rights agree in writing by signing the relevant proposed resolution.

4. Expanded Supporting Documents for Applications for Changes to the AoA and Changes to the Company's Data of Capital Partnership Companies

Based on Article 10 of MoLHR Reg. 21/2021, applications for changes to the AoA and changes to the company's data were required to upload a copy of the deed of amendment and/or other supporting documents. However, MoLHR Reg. 21/2021 did not provide further clarification regarding the scope or type of documents categorized as "other supporting documents."

In contrast, Article 10 of MoL Reg. 49/2025 now provides a clearer description of the required supporting documents, which include:

- a. minutes of the GMS regarding changes to the articles of association or decisions of shareholders outside the GMS;
- b. deed of transfer of rights to shares;
- c. letter of recommendation from the ministry or institution that grants the business license;
- d. proof of announcement in 1 (one) newspaper;
- e. taxpayer identification number;
- f. proof of deposit of the company's capital from a bank in the name of the company, the company's balance sheet for the current financial year, or proof of deposit in another form;
- g. letter of information regarding the company's complete address from the building manager or authorized agency;
- h. determination or decision to change the name of the shareholder from the authorized agency;
- i. annual financial report; and/or
- j. documents of the company's beneficial owners.

In addition to filling out the form and uploading the documents as referred above, the notary must submit an electronic statement confirming that the change form and the uploaded documents are complete and in accordance with the prevailing laws and regulations, and is fully responsible for the change form and uploaded documents.

5. Examination Process for Changes to the AoA and Changes to the Company's Data of Capital Partnership Companies

Article 13 until Article 15 of MoL Reg. 49/2025 introduces an examination process for applications relating to changes to the AoA and changes to the company's data of capital partnership companies, which was not previously regulated under MoLHR Reg. 21/2021.

MoL will examine the application by verifying the consistency between the information entered in the change form, the deed of amendment, the minutes of the GMS (or

shareholders' resolution outside the GMS), and the latest data recorded in SABH. This examination must be completed within 14 (fourteen) business days from the date the application is received.

If discrepancies or incomplete documents are identified, the application will be returned to the notary for correction or completion. The notary must address the deficiencies within 7 (seven) days from the date of notification. If the notary fails to do so within this period, the application will be rejected, although a new application may be submitted afterward.

If the documents and information are confirmed to be complete and appropriate, the MoL through the Director General will issue a decree or a letter of receipt of notification, which will be delivered electronically through SABH. The notary may then print the document independently.

6. Reinforced Annual Reporting Obligations for Capital Partnership Companies

MoL Reg. 49/2025 introduces an obligation for capital partnership companies to submit annual reports via SABH, which was not previously regulated under MoLHR Reg. 21/2021. Based on Article 16 MoL Reg. 49/2025, the BOD of a capital partnership company must submit the annual report to the General Meeting of Shareholders (“GMS”) after it has been reviewed by the Board of Commissioners (“BOC”), no later than 6 (six) months after the end of the company’s financial year. The approval of the annual report by the GMS must be recorded in a notarial deed. Such approval must then be submitted to the MoL via SABH by the BOD through a notary within 30 (thirty) days from the signing date of the notarial deed, with these following supporting documents: (i) notarial deed regarding approval of the annual report; and (ii) annual report. The MoL through the Director General, issues a notification acceptance letter when approval of the annual report is received.

The annual report shall contain at least:

- a. financial report consisting of at least the balance sheet for the past financial year in comparison with the previous financial year, profit and loss report for the relevant financial year, cash flow report, and report of changes in equity, as well as notes to the financial report;
- b. report on the company’s activities;
- c. report on the implementation of social and environmental responsibilities;
- d. details of problems arising during the financial year that affect the company's business activities;
- e. report on the supervisory duties carried out by the BOC during the past financial year;
- f. names of members of the BOD and members of the BOC; and
- g. salaries and allowances for members of the BOD and salaries or honorariums and allowances for members of the BOC of the capital partnership company for the past year.

Based on Article 17 until Article 20 of MoL Reg. 49/2025, non-compliance may lead to administrative sanctions imposed by MoL through the Director General, including written warning and blocking access to SABH. Such restrictions may effectively prevent companies from conducting further changes to the AoA and/or changes to the company's data. The written warning sanctions will be delivered via notification to the SABH and/or electronic mail when the capital partnership company passes the deadline for submitting approval of the annual report by the GMS. If a blocking access occurs, the company can submit a request to unblock the access to the Director General via SABH by filling out the unblocking form and uploading the supporting documents consisting of: (i) notarial deed regarding approval of the annual report; and (ii) annual report, and the Director General will unblock access after the request to unblock is received and complete.

Further, for capital partnership companies that have not yet used the electronic system may still submit their financial reports non-electronically for up to 6 (six) months after the enactment of MoL Reg. 49/2025, which until 17 June 2026 (Article 32 of MoL Reg. 49/2025).

Overall, MoL Reg. 49/2025 introduces a more organized, comprehensive and transparent corporate administrative regime by enhancing beneficial ownership disclosure requirements, and imposing more clearly defined reporting obligations on capital-partnership companies. Although the core registration framework established under MoLHR Reg. 21/2021 remains in effect, the new regime expands compliance obligations for companies and notaries, particularly through additional mandatory documentation and annual reporting requirements, enforced by administrative sanctions for annual reporting obligation.

Further information

For any inquiries, please contact:



Agniya Anggraeni

Partner

agniya.anggraeni@imcolaw.com



Cecilia I.

Senior Associate

cecilia.indrawan@imcolaw.com



Office 8 Building, 35th Floor, Zone G
Sudirman Central Business District Lot. 28
Jl. Jend. Sudirman Kav. 52-53,
Jakarta 12190, Indonesia

Tel : +62 21 2933 3800
Fax : +62 21 2933 3801
Email: info@imcolaw.com

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