



Supplement to Client Alert

on Issuance of Presidential Regulation No. 63 of 2019 on the Use of Bahasa Indonesia

Article 26(3) of the Presidential Regulation No. 63 of 2019 on Use of Bahasa Indonesia ("PR 63/2019") does not set out express requirement for the parties to execute both foreign and Indonesia language versions of the agreement simultaneously, and whether failure to do so would affect the legality of the agreement. Such lack of clarity has created different views amongst lawyers in Indonesia, particularly on the issue of the Indonesia language version must in place at the time of execution and such Indonesia language version maynot be prepared later (or in other words, if the Indonesia language version of the agreement is not executed simultaneously, the Indonesia language version cannot be prepared later). We hereby offer our view on this matter.

Our Interpretation

As elaborated in our previous Client Alert dated 17 October 2019, Article 26 (1) of PR 63/2019 stipulates that Indonesia language must be used in any Memorandum of Understandings and Agreements involving State Institutions, Indonesian Government, Indonesian private entities or Indonesian citizens.

The regulation, however, does not provide express requirement for the parties to execute both Indonesia language and foreign language versions of the agreement simultaneously, and whether failure to do so would affect the legality of the agreement. This lack of clarity has created different views amongst lawyers in Indonesia, particularly on the timing of execution of

the Indonesia language version (in the event the foreign language version of the agreement is signed first).

We are of the view that in the event parties execute the foreign language version of the agreement first, they may agree to execute the Indonesian language version of the agreement later within an agreed certain period of time, to the extent that such agreement is expressly stated in the foreign language version of the agreement. This is of course unless specifically required otherwise by the relevant sectoral regulations.

In light of the above, if the parties choose not to execute the foreign and Indonesia language versions simultaneously, it is advisable for parties to include the following language clause in the agreement:

In compliance with the Law No. 24 of 2009 on National Flag, Language, Emblem, and Song and its implementing regulation (i.e. Presidential Regulation No. 63 of 2019 on Use of Indonesia language), the Parties agree to enter into this Agreement in [foreign language] version and subsequent to the execution of the [foreign language] version, the Parties will enter into the Indonesia language version of this Agreement within [thirty (30) calendar days] as of the date this Agreement. Such Indonesian language version shall form an integral and inseparable part of this English version. In the event of inconsistency or different interpretation between the English and Indonesia language texts, to the extent permitted by law, the [foreign language] version shall prevail and the relevant Indonesia language version shall be amended to conform with and to make the relevant Indonesia language text consistent with the relevant foreign language text.

We will continue to monitor any development of this matter and will let you know accordingly. Should you have any queries, please feel free to contact us.

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