



Client Alert February 2026

A new chapter in legal reform: understand how Minister of Law Regulation Number 49/2025 redefines Indonesia’s legal governance framework

Background

On 17 December 2025, the Minister of Law enacted Regulation Number 49 of 2025 regarding Requirements and Procedures for Establishment, Amendment, and Dissolution of Limited Liability Companies (Permenkum 49/2025) as an implementing regulation of Law Number 40 of 2007 regarding Limited Liability Companies (*perseoran terbatas*), as most recently amended by Law Number 6 of 2023 (UU 40/2007). Permenkum 49/2025 aims at improving the transparency, effectiveness, accountability, and order of limited liability companies’ legal services. It was issued in consideration of the need for more accessible services as well as optimization and reorganization of limited liability companies’ legal services implementation within the Ministry of Law (MoL)’s environment. Through the issuance of this regulation, it is expected that consistency and conformity can be ensured between the data submitted to the MoL and those submitted through the existing legal entity administration system (*sistem administrasi badan hukum (SABH)*).

Permenkum 49/2025, which has been effective since 17 December 2025, revokes Minister of Law and Human Rights Regulation Number 21 of 2021 regarding Requirements and Procedures for Establishment, Amendment, and Dissolution of Limited Liability Company (Permenkumham 21/2021).

This Client Alert provides information on the new obligations relating to annual reports of limited liability companies and highlights the new features and key differences introduced under Permenkum 49/2025 in comparison with UU 40/2007.

General comparative overview of Permenkum 49/2025

Set out below is a comparison table to illustrate the key changes and/or additional details brought by Permenkum 49/2025:

Aspect	UU 40/2007	Permenkum 49/2025
Annual report		
Board of directors' responsibilities on annual reports and reporting obligations	To prepare and submit to the general meeting of shareholders (GMS)	To prepare and submit to the GMS and MoL through the SABH.
Deadline for annual report submission to the GMS	No later than six months after the end of the company's fiscal year	
GMS' approval requirement in the form of a notarial deed	Silent	Notarial deed
GMS' approval reporting deadline to the MoL	Silent	No later than 30 days after the signing date of the notarial deed
Sanctions for failing to meet the reporting obligation	Silent	Administrative sanctions in the form of: <ul style="list-style-type: none"> • Written warning; and • Access block to the SABH
Reporting receipts	N/A	Notification receipt issued by the MoL
MoL's substantive verification		
Substantive verification	Silent	Substantive verification by the MoL for the amendment to articles of association (AoA) and company's data (i.e., change of shareholders' identities, transfer of shares, and/or change of management) within 14 days upon acceptance of the amendment request

Overview of annual report

An annual report is a set of documents prepared by the board of directors of a limited liability company to be submitted to the company's GMS for approval. As stipulated by Article 66 of UU 40/2007 and reaffirmed by Article 16 paragraph (1) of Permenkum 49/2025, every limited liability company's board of directors has the obligation to prepare and submit an annual report to the GMS. The annual report submission to the GMS must take place no later than six months after the end of the company's financial year.

New reporting obligation relating to annual report

Under the new regime of Permenkum 49/2025, additional stipulations relating to the annual report have been introduced, which were not previously regulated under UU 40/2007. Specifically, Permenkum 49/2025 provides further requirements to be fulfilled after obtaining approval for the annual report from the GMS. Notably, it introduces a new obligation that the GMS' approval for the annual report must be documented in a notarial deed.

Afterwards, the notarial deed containing the GMS' approval must be reported to the MoL by uploading the document to the SABH, along with the softcopy of the annual report. Based on Article 16 paragraph (3) of Permenkum 49/2025, the notary must complete the reporting to the MoL no later than 30 days after the signing date of the deed. Consequently, the MoL must provide a notification receipt to the company upon accepting the submission.

Stipulations relating to the MoL's substantive verification

In addition to the new reporting obligation, Permenkum 49/2025 introduces the MoL's substantive verification of the request for approval for certain amendments to the AoA and company's data. Both UU 40/2007 and Permenkum 49/2025 stipulate that limited liability companies may amend the contents of their AoA and company's data. In the case of amendments to the AoA, there are certain subject matters requiring approval of the MoL beforehand, as follows:

- Name of the company;
- Domicile of the company;
- Purposes, objectives, and business activities of the company;
- Establishment period of the company;
- Total authorized capital (*modal dasar*);
- Reduction in issued and paid-up capital (*modal ditempatkan dan disetor*); and/or
- Status of the company, i.e., from a private company to a public company or vice versa.

Based on Permenkum 49/2025, amendments to company data include:

- Changes to the composition of shareholders due to transfer of shares and/or changes to the amount of share ownership;
- Changes to the composition or reappointment of members of board of directors and/or board of commissioners;
- Merger, acquisition, and spin-off that are not accompanied by any amendments to the AoA;
- Dissolution of the company;
- Termination of status of the company as a legal entity;
- Changes to the shareholders' name due to change of name; and
- Company's change of address.

To obtain the MoL's approval for the amendments to the AoA and/or company data, the applicant, through its notary, must submit a request for the relevant amendments to the MoL (through the Directorate General of Legal Administrative Affairs). The request must be submitted electronically through the SABH.

Permenkum 49/2025 now provides that the MoL will conduct a substantive verification process after receiving such request for approval to verify the conformity between data entered in the amendment form and the amendment deed. Referring to Article 13 paragraph (2) of Permenkum 49/2025, the process also aims to ensure conformity between the amendment form data and the GMS minutes regarding the amendment to the AoA or the shareholders' resolutions in lieu of GMS that have been uploaded as well as the latest data recorded in the SABH.

Under Permenkumham 21/2021, there was no explicit stipulations on the substantive verification process in regard to the request for MoL's approval for certain amendments to the AoA and company's data. Permenkum 49/2025 now explicitly stipulates that the MoL is required to complete the process in no later than 14 working days upon the acceptance of such request. After conducting the verification process, the MoL may accept or return the request to the applicant if, based on its assessment, there is inconsistency or the documents are incomplete.

Consequence of noncompliance with the new reporting obligation

The reporting of notarial deed containing the GMS' approval for the annual report to the MoL is obligatory for all limited liability companies, including foreign investment limited liability companies (*perseroan terbatas penanaman modal asing*) and domestic investment limited liability companies (*perseroan terbatas penanaman modal dalam negeri*). In the case that a company fails to fulfill its reporting obligation or fails to make the submission to the MoL within the prescribed time limit, it may be subject to administrative sanctions imposed by the MoL in the form of written warning and suspension of access to the SABH.

Conclusion

The enactment of Permenkum 49/2025 requires the GMS' approval to be reported to the MoL along with the notarial deed and the annual report. Given that financial statements form a key component of the annual report, companies are encouraged to take note of this new process and the upcoming deadlines to ensure timely compliance. As this regulation has only recently been issued, it is understood that further implementing guidelines may follow. As of the writing of this Client Alert, no implementing guidelines and/or regulations have been issued by the government.

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