Client Alert July 2026

KBLI 2025 is now officially in effect

Reshaping Indonesia's business landscape through Indonesian Standard Industrial Classification 2025 – part II

Overview

Following the enactment of Indonesian Central Statistics (*Badan Pusat Statistik* (BPS)) Regulation Number 7 of 2025 on Indonesian Standard Industrial Classification (BPS 7/2025), which introduced the Indonesian standard classification of business fields (*Klasifikasi Baku Lapangan Usaha Indonesia* (KBLI)) 2025 (KBLI 2025) (please refer to February 2026: Client Alert 3rd Edition), all business actors are encouraged to convert their KBLI classification from previous KBLI regimes to KBLI 2025 by 18 June 2026 across the Online Single Submission (OSS) system of the Ministry of Investment and Downstream Industry, and the Legal Administrative Affairs (*Administrasi Hukum Umum* (AHU)) system of the Ministry of Law.

To facilitate the conversion, on 25 March 2026, the Minister of Law (MOL), Chief Statistician of BPS, and Ministry of Investment and Downstream Industry/Indonesia Investment Coordinating Board (BKPM) issued the Joint Circular Letter (*Surat Edaran Bersama* (SEB)) Number M.HH-1.HH.04.02/Tahun 2026, Number 1/Tahun 2026, and Number 4.S/Tahun 2026.

This Client Alert mainly covers the salient points of the SEB and additional observations on BPS 7/2025 and its implementation for business actor in Indonesia. It also provides an overview of the distinct conversion mechanisms that may apply to business actors when converting to KBLI 2025.

Key provisions

Types of KBLI conversion

The government has introduced three conversion scenarios to streamline the reclassification process, namely one-to-one, one-to-many, and many-to-one. This addresses the concern previously raised by business actors, particularly regarding the conversion mechanism and recalibration of risk levels under the existing KBLI (i.e., KBLI 2020).

Annex II of the SEB sets out three types of conversion from KBLI 2020 to KBLI 2025:

Type of conversion		Key changes	Example
One-to-one	• One KBLI 2020 code of a business actor will be adjusted to another KBLI 2025 code. • **The OSS system will automatically assign** the adjusted KBLI code based on the KBLI conversion table.	• Numeric codification (code); • Title; • Description; or • Combination of the above	KBLI 2020: • 86901 (Health Service Activities Carried Out by Health Workers Other Than Doctors and Dentists). KBLI 2025: • 86991 (Health Service Activities Carried Out by Health Workers Other Than Doctors and Dentists). (Change of numeric codification, same title)
One-to-many	• One KBLI 2020 code of a business actor will be adjusted to several KBLI 2025 codes due to the separation of business activity coverage under KBLI 2025. • **The business actor will select** the KBLI code that aligns with the company's purpose and objectives.	• Splitting of classification codes resulting from adjustments made to the International Standard Industrial Classification of All Economic Activities (ISIC); and • Splitting of classification codes resulting from the introduction of new business activities in KBLI 2025.	KBLI 2020: • 39000 (Remediation Activities and Management of Waste and Other Waste Materials). KBLI 2025: • 39001 (Carbon Capture Activities); • 39002 (Carbon Storage Activities); • 39009 (Remediation Activities and Management of Waste and Other Waste Materials). (Scope of business activities under KBLI 2025 becomes more detailed and specific)
Many-to-one	• Several KBLI 2020 codes held by a business actor are merged into one KBLI 2025 code due to the expansion of business activity coverage under KBLI 2025. • **The OSS system will automatically assign** the adjusted KBLI code	• Merger of KBLI codes resulting from the adjustment from ISIC; • Merger of KBLI codes due to efficiency.	KBLI 2020: • 03111 (Fishing of Pisces/Finned Fish at Sea); • 03112 (Fishing of Crustacean at Sea); • 03113 (Fishing of Mollusk at Sea); • 03114 (Harvesting/Collecting of Aquatic Plants at Sea); • 03115 (Fishing/Harvesting Fish Broodstock and Fingerlings at Sea);

Type of conversion		Key changes	Example
	based on the KBLI conversion table.		• 03116 (Fishing of Echinoderms at Sea); • 03117 (Fishing of Coelenterate at Sea); • 03118 (Fishing of Ornamental Fish at Sea); • 03119 (Other Aquatic Organisms Harvesting Activities at Sea). KBLI 2025: • 03110 (Fishing and Harvesting of Other Aquatic Organisms at Sea). (Simplified option due to the similar nature of business activities being grouped together under the same KBLI 2025 code)

On 22 April 2026, BPS issued a KBLI 2020–KBLI 2025 conversion table (KBLI conversion table) [1] to provide business actors with clearer guidance on the conversion from KBLI 2020 to KBLI 2025.

Conversion mechanism

Recognizing that business actors operate under different KBLI regimes, the conversion framework adopted two distinct mechanisms:

- Automatic conversion through the OSS system; and
- Manual conversion through amendment to the articles of association (AOA), involving the MOL and its AHU system prior to the conversion in the OSS system.

The conversion to KBLI 2025 did not include any adjustment to sectoral supervision or risk classifications. Accordingly, the applicable risk classifications following the conversion must refer to Annexes 1 and 2 of Government Regulation Number 28 of 2025, as well as subsequent implementing regulations issued by the relevant ministries and/or government agencies.

<u>Automatic conversion through OSS System</u>

Based on the SEB, automatic conversion applies only if no adjustment to the description of a business actor's existing business activities is required when transitioning from KBLI 2020 to KBLI 2025. In such cases, the business actor may directly convert its KBLI through the OSS system. In its OSS account, the business actor is prompted to convert its KBLI automatically, and the OSS system automatically identifies the corresponding KBLI 2025 codes.

<u>Manual conversion through amendments to the AOA</u>

The mechanism described above applies only to business actors whose business identification number (*Nomor Induk Berusaha*) currently reflects KBLI 2020 classifications. If a business actor uses KBLI 2017 or KBLI 2009 classifications, the conversion to KBLI 2025 cannot be carried out automatically through the OSS system. Likewise, the automatic conversion does not apply when a business actor carries out a corporate action that changes the company's purpose and objectives and its existing business activities.

[1] The KBLI conversion table is accessible through the following link: https://www.bps.go.id/id/publication/2026/04/22/909d503355d2b7664e43dea8/tabel-konversi-kbli-2020---kbli-2025.html

For business actors that are still using a KBLI version older than KBLI 2020, the conversion to KBLI 2025 must be made through an amendment to the company's AOA, and approval from the MOL must be obtained. The conversion is subsequently processed through the OSS system.

Grandfather clause and validity of existing risk-based business licenses

Pursuant to Government Regulation Number 28 of 2025 (please refer to August 2025: Client Alert), business licenses are categorized into basic requirements (*Persyaratan Dasar*), business licenses (*Perizinan Berusaha*), and business licenses supporting business activities (*Perizinan Berusaha untuk Menunjang Kegiatan Usaha*). The role of KBLI is essential to the process of obtaining these business licenses, as each KBLI will have different business licensing requirements depending on the risk level of the relevant business activity.

The shift from KBLI 2020 to KBLI 2025 has raised concerns among business actors, particularly regarding the validity of the licenses obtained prior to the enactment of KBLI 2025. The SEB confirms that licenses obtained, verified, or approved before the shift to KBLI 2025 remain valid.

Key takeaways

- As of 18 June 2026, the government has officially implemented KBLI 2025 in both the AHU and OSS systems for business actors in Indonesia.
- The conversion to KBLI 2025 mainly follows three scenarios (one-to-one, many-to-one, or one-to-many), as set out in Annex II of the SEB.
- Based on their existing KBLI, business actors would be subject to different mechanisms in converting to KBLI 2025.
- Business actors that still use a KBLI version older than KBLI 2020 and/or intend to carry out any corporate actions that change the company's purpose and objectives or business activities are required to convert to KBLI 2025 by amending their AOA to reflect KBLI 2025 in their purpose and objectives, obtaining approval from the MOL, and proceeding with the conversion in the OSS system. The amendment should also take into account the provisions under MOL's Regulation Number 49 of 2025 (please refer to February 2026: Client Alert 2nd Edition).
- Further implementing regulations from the relevant ministries are expected to clarify sector-specific requirements and provisions applicable to the respective KBLI classifications and align with the changes brought about by the full implementation of KBLI 2025, particularly where the changes affect business activities in practice (whether through simplification and/or changes in the licensing regime).

Stefanus Brian Audyanto
Managing Partner
Deloitte Legal Indonesia
Email: saudyanto@deloittelegal-id.com

Anthony Pratama Chandra
Partner
Deloitte Legal Indonesia
Email: anchandra@deloittelegal-id.com

Derryan Rahmat Putra
Junior Partner
Deloitte Legal Indonesia
Email: dputra@deloittelegal-id.com