COMPETITION, ANTITRUST, CONSUMER & TRADE

LKPP Regulation 2/2026 Introduces a New E-Catalogue Framework That Reshapes Participation and Purchasing in Government Procurement

Indonesia's National Public Procurement Agency (*Lembaga Kebijakan Pengadaan Barang/Jasa Pemerintah* or "**LKPP**") has issued LKPP Regulation No. 2 of 2026 on Electronic Catalogue in Government Procurement of Goods or Services ("**New Regulation**"), introducing a revised framework governing participation and transactions in the government's electronic catalogue or E-Catalogue system. The New Regulation strengthens catalogue governance and supports the expansion of e-purchasing as a primary procurement method under the reforms introduced by Presidential Regulation No. 46 of 2025.

The New Regulation establishes detailed rules on product curation and listing, pricing, performance security requirements, and the prioritisation of products and suppliers within the E-Catalogue. As a result, businesses that currently supply, or intend to supply, goods or services through the E-Catalogue may face new compliance and operational considerations.

Enacted on 27 August 2026 and effective on 1 September 2026, the New Regulation revokes and replaces LKPP Regulation No. 9 of 2021 on Online Shop and Electronic Catalogue in Government Procurement of Goods or Services ("**Previous Regulation**") in its entirety. This update highlights the key changes introduced by the New Regulation and their implications for suppliers participating in government procurement.

Mandatory E-Purchasing and Market Analysis

The New Regulation reinforces e-purchasing as the primary procurement method by requiring government institutions to purchase goods or services through the E-Catalogue whenever the required goods or services are available. Government institutions may use an alternative provider selection method only where the E-Catalogue cannot meet the relevant volume, technical specification, timing, location and/or service requirements, or where an alternative method would be more efficient and/or effective.

Before doing so, the Commitment Making Officer (*Pejabat Pembuat Komitmen* or "**PPK**") must conduct a market analysis, which may be assisted by a competent party with expertise in the relevant field. At a minimum, the market analysis must assess the availability of suitable goods, services, and suppliers within the E-Catalogue, whether they meet the relevant procurement requirements, and how catalogue prices compare with comparable offerings outside the E-Catalogue.

This change further entrenches the E-Catalogue as the default channel for government procurement. For businesses participating in the E-Catalogue, this may increase opportunities to supply government institutions, as procuring entities will generally be expected to source available goods and services through the catalogue before considering other provider selection methods. More broadly, the New Regulation is intended to support the e-purchasing reforms introduced under Presidential Regulation No. 46 of 2025 by limiting circumstances in which procuring entities may procure outside the E-Catalogue. The New Regulation also broadens access to the E-Catalogue beyond government institutions, allowing non-governmental entities to use the platform upon obtaining access from the E-Catalogue administrator.

New Product Curation Process for Catalogue Listings

The New Regulation formalises a multi-layered product curation system for E-Catalogue listings. Unlike the Previous Regulation, which focused primarily on the listing of products and suppliers, the New Regulation establishes various categories of curators responsible for reviewing product collections, product masters, listing applications, and the allocation of product or supplier labels.

For businesses, participation in the E-Catalogue will involve more than an administrative listing process. The additional curation requirements may make the listing process more structured and subject products and suppliers to greater scrutiny before they can be made available to government buyers. Businesses seeking to participate in the E-Catalogue should therefore take into account the potential additional review and approval processes when preparing catalogue listing applications.

Performance Security for Contracts Above IDR200 Million

For the first time, the New Regulation requires performance security for e-purchasing contracts involving goods, construction work, or other services with a value exceeding IDR200 million. This requirement does not apply to the procurement of other services where the provider's assets are controlled by the user.

This introduces an additional compliance requirement for suppliers participating in the E-Catalogue and may increase the cost of participating in catalogue-based procurement. Businesses should therefore consider the cost, availability, and administrative requirements of obtaining performance security when setting catalogue prices and evaluating procurement opportunities. For suppliers that regularly participate in higher-value catalogue procurements, performance security may become an additional factor in pricing and bid planning.

New Price Benchmarking Requirements

The New Regulation introduces price benchmarking requirements that did not exist under the Previous Regulation. Consistent with the framework introduced under Presidential Regulation No. 46 of 2025, the PPK must prepare an owner's estimate (*harga perkiraan sendiri* or "**HPS**") before conducting e-purchasing. For transactions with a value of up to IDR100 million, the PPK must instead prepare a price reference (*referensi harga*) to assess whether the offered price is reasonable. These requirements do not apply to direct purchases under product categories or collections with fixed prices.

This change introduces an additional pricing control mechanism within the E-Catalogue framework and is intended to ensure that catalogue transactions reflect reasonable market prices. For suppliers, the increased use of HPS and price references may result in greater scrutiny of pricing and could affect how catalogue prices are evaluated during procurement processes. Businesses should therefore ensure that their catalogue pricing can be supported by prevailing market conditions and comparable market offerings.

Online Shop Integrated into the E-Catalogue

The New Regulation integrates the online shop (*toko daring*) into the E-Catalogue framework. Under the Previous Regulation, the online shop and the E-Catalogue operated as separate procurement channels, each with its own participants and purchasing methods. Under the New Regulation, the online shop becomes a module within the E-Catalogue through which e-purchasing may be conducted using marketplace partners' systems. E-purchasing through the online shop is intended primarily for domestic products and products supplied by micro and small enterprises and cooperatives. However, while domestic products remain prioritised, the requirement that such products be supplied by micro and small enterprises and cooperatives may be relaxed for certain product categories where such products that meet those criteria are unavailable. The New Regulation also introduces a transaction limit of IDR50 million for purchases conducted through the online shop.

This change further consolidates government procurement activities within the E-Catalogue ecosystem while continuing to support the government's broader policy objective of promoting domestic products and smaller businesses. For suppliers, the integration may create a more streamlined procurement framework by bringing previously separate procurement channels within a single system. However, businesses should note that the online shop remains intended primarily for lower-value transactions and is subject to product prioritisation rules that may affect which suppliers and products are able to participate through this channel.

Local Businesses Prioritised for Construction Work

The New Regulation introduces a new requirement for e-purchasing of construction work to prioritise local businesses. Unlike the Previous Regulation, however, it does not specify how this preference will operate in practice. Instead, the applicable prioritisation mechanism will be governed by the relevant LKPP regulation on the preparation and implementation of government procurement through providers.

This change reflects the government's broader objective of increasing regional economic participation and expanding opportunities for local businesses in public procurement. Pending further implementing guidance, however, the practical impact of the preference on suppliers and contractors remains uncertain. Businesses participating in government construction projects should therefore monitor future guidance and assess whether the preference may affect their local presence, delivery models, subcontracting arrangements or partnerships with local businesses.

E-Catalogue Use Expanded Beyond Traditional Procurement

The New Regulation expands the scope of procurement activities that may be conducted through the E-Catalogue. In particular, e-purchasing may now be used for self-managed procurement (*swakelola*) types I, II and III, which were not previously conducted through the E-Catalogue framework.

Together with the extension of E-Catalogue access to non-governmental entities, this change broadens the range of users and procurement activities that may be conducted through the platform. As a result, the E-Catalogue appears intended to play a more central role in government procurement by serving a wider range of users and procurement activities.

Key Takeaways

Businesses that participate in, or are considering entering, the government procurement market through the E-Catalogue should consider the following:

- **E-Catalogue participation is becoming increasingly important**

  As e-purchasing remains the default provider selection method where goods or services are available in the E-Catalogue, suppliers may find that catalogue participation becomes increasingly important for accessing public-sector opportunities. The New Regulation also broadens the range of users and procurement activities conducted through the E-Catalogue, reinforcing its role as a central procurement platform.

- **Participation in the E-Catalogue is subject to greater oversight and governance**

  The introduction of a formal product curation framework means that catalogue participation is no longer a purely administrative process. Suppliers should be prepared for additional review and scrutiny before products can be listed and made available to government buyers.

- **Suppliers should assess the commercial impact of the new requirements**

  The new performance security requirement for certain contracts and the introduction of price benchmarking mechanisms may affect pricing, compliance costs and procurement strategy. Businesses should consider these factors when evaluating catalogue-based opportunities and setting catalogue prices.

- **Local procurement policies may create new strategic considerations**

  Businesses operating in sectors affected by local business prioritisation, particularly construction, should monitor further implementing guidance and assess whether their operating models remain aligned with evolving procurement policy objectives.

- **Businesses should review their E-Catalogue strategy now**

  Product classification, supporting documentation, pricing structures, partnership arrangements and internal compliance processes may all warrant review to ensure continued competitiveness under the new framework.

Ultimately, the New Regulation reinforces the E-Catalogue's role as the central platform for government procurement while introducing a more structured governance framework for participation and transactions. For suppliers, success will depend not only on offering competitive products and pricing, but also on meeting the operational, compliance and listing requirements associated with E-Catalogue participation. Businesses that proactively review their catalogue strategies and adapt to the new framework are likely to be better positioned to compete for opportunities in Indonesia's public procurement market.

If you have any queries on the above, please reach out to our team set out on this page.

For regional Competition, Antitrust, Consumer & Trade matters, please see Rajah & Tann Asia's Competition, Antitrust, Consumer & Trade Practice for more information.

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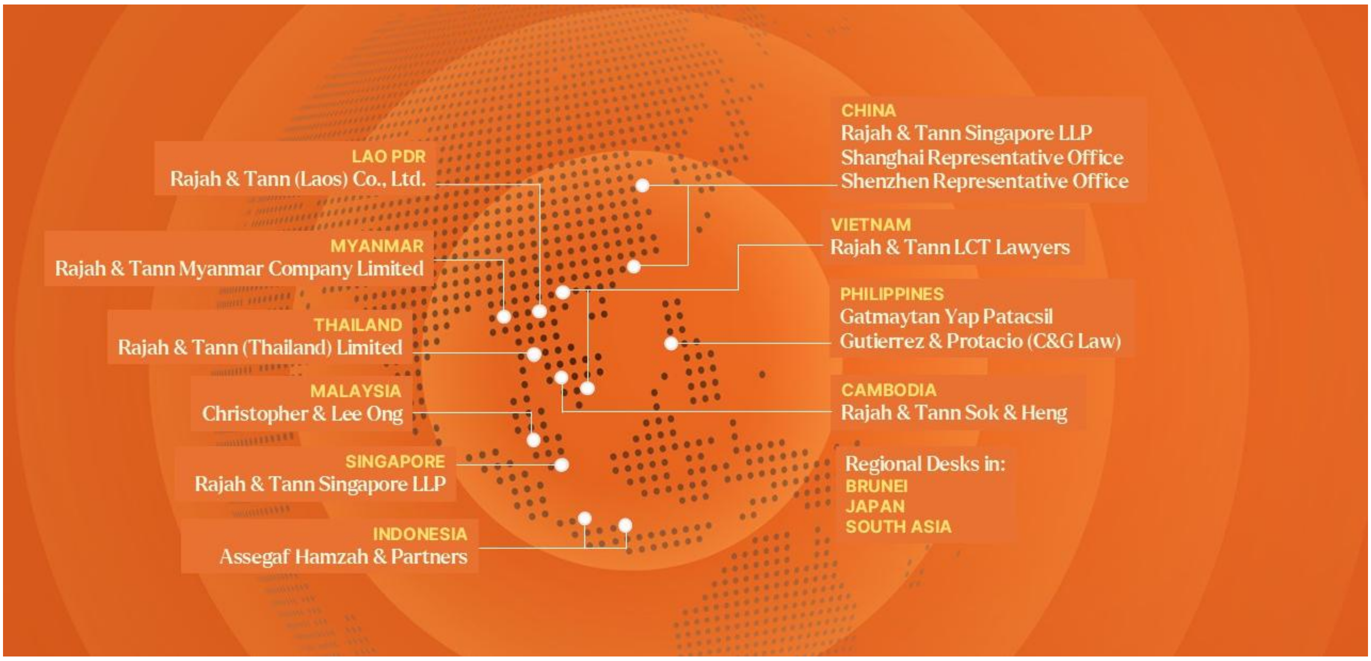

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