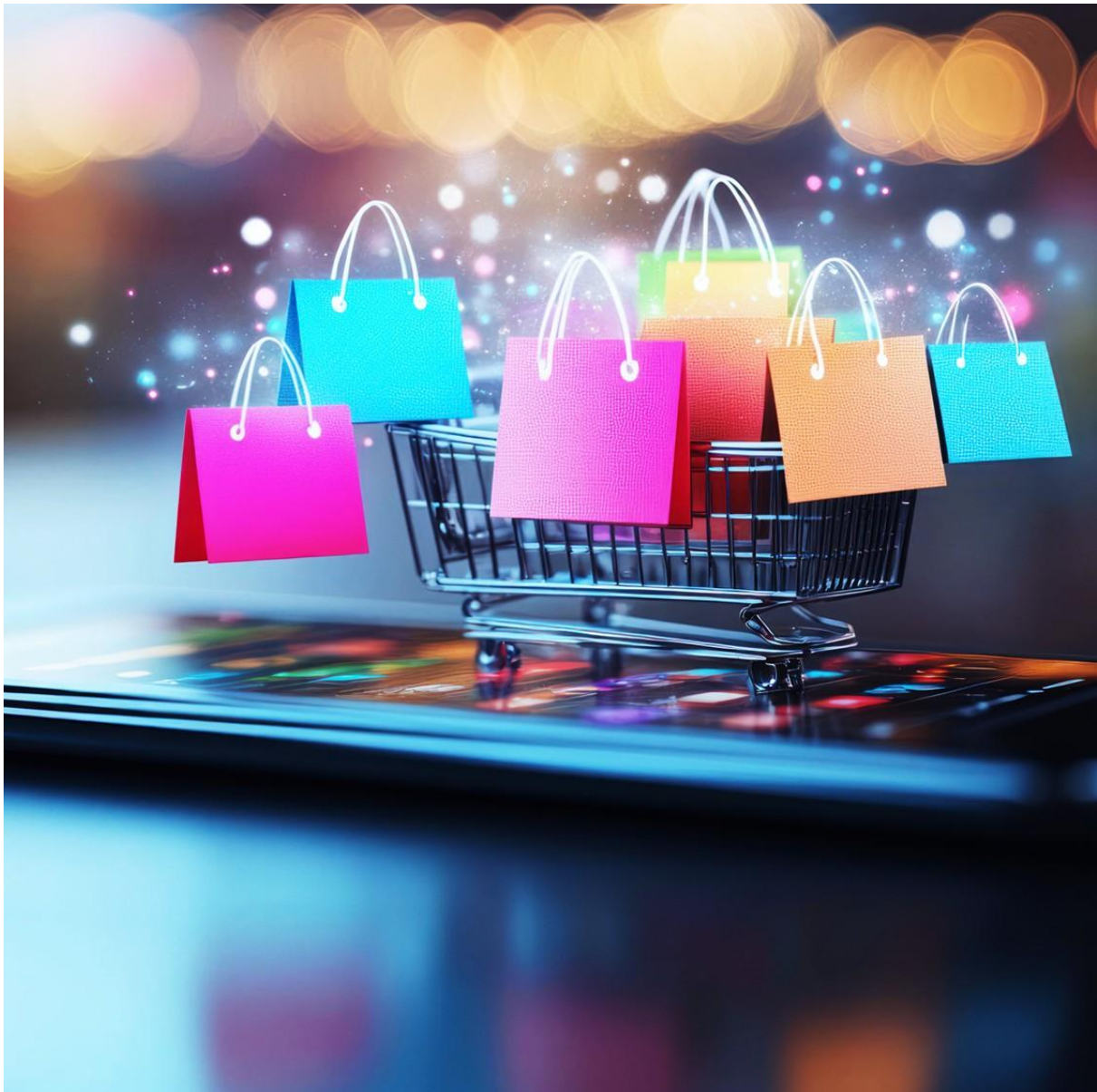


COMPETITION / ANTITRUST, CONSUMER & TRADE

An Overhaul in Indonesian E-Commerce Regulations: From Platform Compliance to Platform Gatekeeping



On 8 June 2026, the Minister of Trade enacted Regulation No. 19 of 2026 on Electronic Commerce ("**New Regulation**"), replacing Minister of Trade Regulation No. 31 of 2023. This New Regulation significantly expands what e-commerce platforms (both domestic and foreign) must do, not just in terms of their own compliance, but in actively overseeing merchant activities, pricing practices, consumer-facing information, and product traceability. It also introduces more serious consequences for non-compliance, including access blocking and licence revocation. Despite these changes, the New Regulation maintains key foundational concepts and scope as specified under the previous framework, including the scope of businesses that are covered, such as domestic and foreign platforms, merchants, service providers, and intermediary services.

The New Regulation also clarifies that ride-hailing apps (including those that facilitate the sale of food, beverages, and groceries) and online travel agents are treated as e-commerce platforms and are subject to the same requirements.

Given its broad scope, the New Regulation operates as a cross-cutting framework spanning competition law, consumer protection, business licence compliance, and customs.

In this client update, we outline the key highlights of the New Regulation.

Competition

The New Regulation introduces several competition-related obligations that go beyond traditional antitrust compliance. Platforms are now expected to actively govern how their systems operate, from pricing and promotions to product ranking and data use, in ways that promote fair competition and limit the risk of market distortion.

- **Similar direction to global platform governance rules**

The New Regulation shares notable similarities with the EU's Digital Markets Act ("**DMA**"), which governs how digital platforms interact with businesses and consumers.

Like the DMA, the New Regulation focuses on how platforms conduct themselves in their role as intermediaries between merchants and consumers. It aims to improve transparency and promote fair competition by:

- Requiring clearer terms for merchants using the platform;
- Addressing concerns about how platforms rank products and whether they give preferential treatment to their own products or services (commonly referred to as "self-preferencing");
- Limiting the use of platform data across affiliated or non-platform systems; and
- Placing responsibility on platforms for how automated or algorithmic tools are used.

Unlike the DMA, the New Regulation applies to all platforms, rather than only those specifically designated as "gatekeepers", which are large platforms that act as key intermediaries between businesses and consumers, and does not establish a standalone competition enforcement framework. It nevertheless signals a policy direction: platform compliance will be assessed based on how platforms design and govern their systems, not solely on individual merchant conduct.

- **Clearer standards for pricing and promotions**

The New Regulation identifies specific pricing practices that may constitute prohibited price manipulation, including:

- Sustained below-cost selling,
- Repeated unreasonable subsidies; and
- Open-ended discounts that distort the market.

These apply directly to platform-funded promotions, free-shipping subsidies, flash sales, and other discount programmes commonly used in e-commerce.

Platforms must maintain standard operating procedures to detect, prevent, and address unfair competition practices and price manipulation. They are also required to notify the Indonesia Competition Commission (*Komisi Pengawas Persaingan Usaha* or KPPU) within three business days of discovering suspected violations.

In addition, where platforms use AI or algorithmic tools for pricing, promotion, ranking, recommendation, or product display, they are expected to assess whether these systems are consistent with fair competition principles and do not result in harm to consumers or other market participants.

- **Domestic product prioritisation**

The New Regulation places stronger emphasis on the promotion and prioritisation of domestic products, including through platform ranking, recommendation, and promotional features. Platforms are expected to support the visibility of domestic products, particularly those offered by micro and small enterprises, and to provide merchants with clearer information on how these features work.

Consumer Protection

The New Regulation strengthens the responsibilities of platforms in protecting consumers from misleading information and non-compliant merchant conduct. Platforms are now expected to actively verify the accuracy of information displayed on their platforms and take action where merchants fall short.

- **Mandatory verification of store labels**

The New Regulation introduces stricter requirements for the use of store labels such as "official store" or "authorised seller". Platforms must ensure that any such labels are supported by appropriate documentary evidence and implement verification mechanisms to maintain their accuracy. This measure is intended to reduce misleading labels from affecting consumer trust and purchasing decisions.

- **Platform action against non-compliant content**

Under the New Regulation, platforms are expected to take a more active role in addressing non-compliant content. This includes removing misleading or unlawful advertisements and taking action against

merchants that repeatedly violate applicable requirements. The underlying expectation is that platforms bear shared responsibility for maintaining a reliable and trustworthy digital marketplace.

Business Licence Compliance

The New Regulation expands the role of platforms in ensuring that merchants operating on their platforms meet applicable licensing requirements. Rather than leaving compliance entirely to merchants, platforms are now expected to actively facilitate the licensing process and enforce consequences where merchants fail to comply within the prescribed timeframe.

The New Regulation requires e-commerce platforms to help both domestic and foreign merchants comply with business licensing requirements and applicable product and service standards. Specifically, platforms must:

- Provide features or direct links to the Online Single Submission (OSS) system during merchant registration;
- Conduct outreach to merchants regarding licensing and standards;
- Display each merchant's licensing and compliance status on their profile, visible to consumers; and
- Offer assistance in the licensing process.

Additionally, merchants who register without a business licence must be temporarily labelled "*Dalam Proses Legalisasi*" ("In the Process of Legalisation") and must obtain the required licence within six months. Platforms are required to restrict access, including by suspending trading activities, for merchants who fail to meet this deadline.

E-commerce platforms have an 18-month transition period to comply with these obligations, running until 8 December 2027.

AI Governance and Algorithmic Safeguards

The New Regulation expressly addresses the use of AI and algorithmic tools in e-commerce for the first time. While AI use is permitted, businesses bear full responsibility for its outcomes and must meet specific transparency, governance, and consumer protection obligations in connection with its use.

All businesses using AI in their e-commerce operations must:

- Disclose to consumers when products, services, or recommendations are generated, displayed, or promoted using AI; and
- Ensure that all information presented through AI is accurate, clear, and verifiable.

E-commerce platforms are subject to additional obligations. These include:

- Establishing internal AI governance mechanisms proportionate to the risks of AI use;
- Providing channels for consumers to raise complaints or seek corrections relating to AI-generated outputs; and

- Safeguarding consumers, businesses, personal data, and intellectual property rights in connection with AI use.

More broadly, all businesses employing AI must comply with applicable ethical standards, data protection, consumer protection, fair competition, and intellectual property laws, and must avoid monopolistic practices or conducts that could harm consumers or other market participants.

Indonesia does not yet have a dedicated legal framework governing AI. Based on current information, the government is preparing several AI-related regulatory instruments, including two Presidential Regulations expected to address the national AI roadmap and ethical AI guidelines. Businesses should monitor these developments closely, as they are likely to introduce further compliance obligations once enacted.

Customs

The New Regulation introduces more detailed disclosure requirements on product origin. Merchants are now required to clearly indicate:

- Whether goods are domestically produced or imported;
- The merchant's country of origin; and
- The country from which the goods are shipped.

These enhanced disclosure obligations serve two purposes. For consumers, they enable more informed purchasing decisions, particularly for cross-border transactions where the origin of goods is not always apparent. For businesses, they reduce the risks of customs delays or discrepancies by ensuring that disclosed origin information aligns with documentation used for customs clearance. They also give customs authorities greater visibility over cross-border arrangements in e-commerce supply chains.

Administrative Sanctions

The New Regulation provides for the following administrative sanctions against non-compliant platforms:

- Written warnings;
- Inclusion in a priority supervision list;
- Inclusion in a blacklist;
- Temporary blocking of platform services by the relevant authority; and
- Revocation of business licences.

Key Takeaways

The New Regulation substantially expands the compliance obligations of e-commerce platforms across competition law, consumer protection, business licence compliance, and customs. With sanctions now including access blocking and licence revocation, non-compliance carries meaningful regulatory and business consequences.

In light of these developments, companies should consider:

- Conducting a holistic operational review of their systems, controls, and internal processes across the intersecting compliance areas covered by the New Regulation;
- Reviewing pricing, promotional, and ranking practices for consistency with fair competition principles, particularly where AI or algorithmic tools are used; and
- Monitoring the development of AI-related regulations, including the anticipated presidential regulations, to ensure ongoing compliance.

Given the breadth of the New Regulation and the intersecting compliance areas it touches, early preparation will be key to managing both the transition periods and the longer-term obligations it introduces.

For regional Competition and Technology, Media & Telecommunications matters, please see Rajah & Tann Asia's [Regional Competition](#) and [Regional Technology, Media & Telecommunications](#) for more information.

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