

Client Update: Indonesia

19 January 2024

New KPPU Commissioners for the 2024-2029 Period Announced



On 18 January 2024, President Joko Widodo appointed the new commissioners of the KPPU (*Komisi Pengawas Persaingan Usaha* or the Indonesia Competition Commission) for the 2024-2029 period. This appointment had been anticipated by many, following a series of selection processes initiated by the selection committee formed by the President from around the end of 2022, as well as the fit and proper test by the House of Representatives.

Unlike in other jurisdictions where each commissioner may have different term of office, all members of the commissioners in the KPPU have the same office term, currently set from 2024 to 2029. Accordingly, the appointment of KPPU commissioners is made to replace the entire set of commissioners who were in office for the previous term. A commissioner of the previous term can still hold office for the next term following the same selection process.

The new KPPU commissioners are as follows:

No.	Name	Previous Experience
1.	Dr. M. Fanshurullah Asa, S.T., M.T.	Chairman & Committee of Regulatory Agency for Downstream Oil & Gas (BPH MIGAS)

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2.	Aru Armando, S.H., M.H.	KPPU Director of Mergers and Acquisitions
3.	Rhido Jusmandi, S.H., M.H.	Lecturer and Researcher at Trunojoyo Madura University
4.	Gopprera Panggabean, S.E., Ak.	KPPU Director of Investigation
5.	Hilman Pujana, S.E., M.H.	Head of KPPU Office Region VI in Makassar
6.	Moh. Noor Rofieq, S.T.	Senior Investigator of the KPPU
7.	Mohammad Reza, S.H., M.H.	KPPU Senior Expert of Legal Affairs
8.	Dr. Eugenia Mardanugraha, S.Si., M.E.	Lecturer at the Faculty of Economy and Business, University of Indonesia
9.	Budi Joyo Santoso, S.E., M.M.	Primary Education and Training Center Advisor at Indonesia Deposit Insurance Corporation (LPS)

Following their appointment, the KPPU commissioners have announced that Dr. M. Fanshurullah Asa, S.T., M.T. and Aru Armando, S.H., M.H. will serve as the Chairman and Vice-Chairman of the KPPU. The chairman and vice-chairman are responsible for coordinating the execution and oversight of tasks assigned during commissioner meetings. This involves liaising with other commissioner members to ensure seamless communication and delegation. Additionally, the chairman oversees the dissemination of tasks during coordination meetings, ensuring that heads of work units directly under the purview of commissioner members are well-informed and equipped to carry out their responsibilities. In the absence of the chairman, the vice-chairman will assume this responsibility. They are expected to serve in such positions for a set period of time.

Navigation Outlook

During the selection process, some common issues were highlighted by majority of the commissioners. Among others, they plan to strengthen the KPPU's institutional status by considering its staff as civil servants, and execute other proposed agenda items including:

- a. Conducting more rigorous supervision of partnership implementation between large corporations and micro, small, and medium enterprises;
- b. Amending the Indonesian Competition Law ("ICL");
- c. Embarking on the digitalisation of the KPPU supervision system;
- d. Shifting from a mandatory post-closing regime to the pre-closing one; and
- e. Implementing a leniency and whistleblower program.

Following the inauguration, the newly appointed KPPU Chairman outlined extensive, tasks, including institutional and personnel transformation, addressing a disproportionately low budget for vast responsibilities, seeking enhanced recognition for the KPPU, navigating digital market oversight complexities, and advocating for ICL amendment.

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Over the next 100 business days, the KPPU will focus on monitoring business competition in sectors with the lowest National Business Competition Index or below the five-year average, specifically targeting gas, electricity, mining, and construction sectors, while maintaining a primary focus on the dynamic landscapes of the digital and food markets during this period.

Key Takeaways

The amendment of the ICL has long been an agenda of the KPPU. Considering the common proposed agenda from new commissioners during the selection process, we expect that the new commissioners will push for an expedited amendment process for the ICL, given that the shift to a mandatory pre-closing merger control regime, leniency, and whistleblower programs, and strengthening the KPPU's institutional status can only be achieved through an amendment.

Five out of the nine commissioners bring valuable experience from their previous roles at the KPPU. Along with the diverse expertise of four commissioners from the sectoral as well as academic, we expect for positive changes and progress for competition in Indonesia with a more balanced and effective regulatory landscape.

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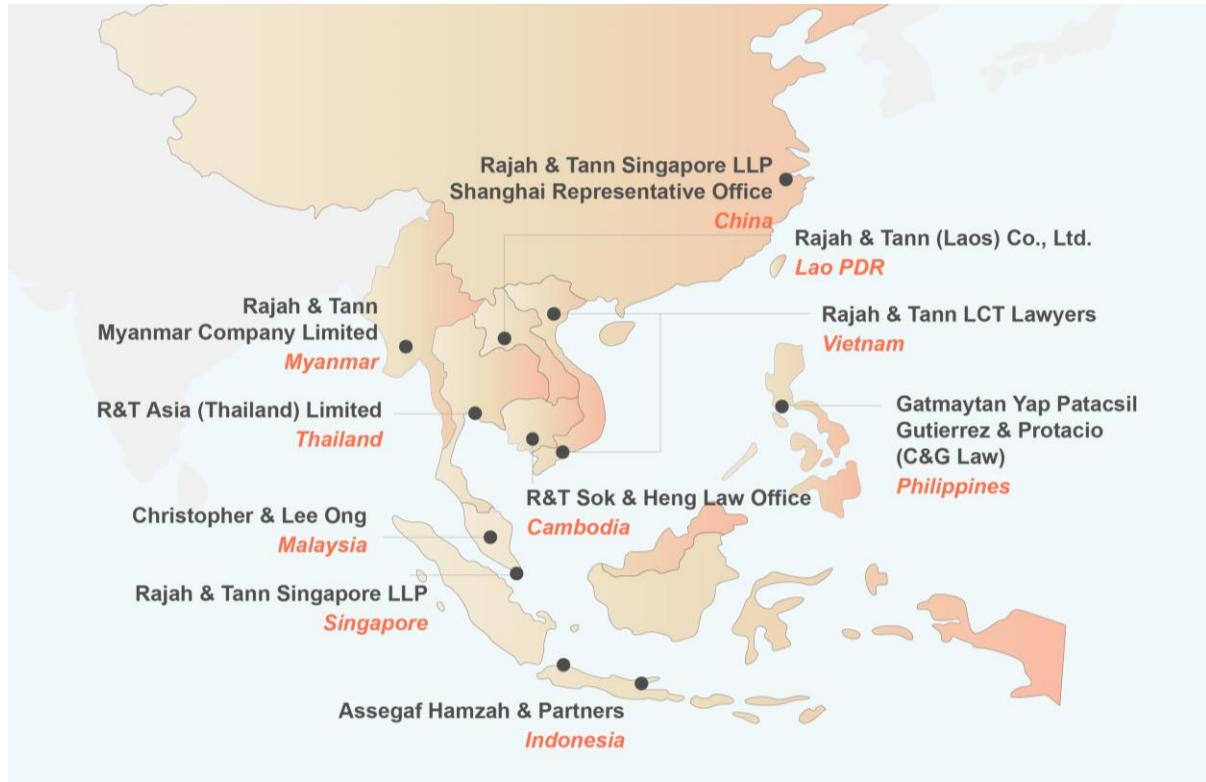
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