

DISPUTE RESOLUTION

Deferred Prosecution Agreements in Indonesia: A New Framework for Corporate Criminal Enforcement



Indonesia has recently introduced the concept of Deferred Prosecution Agreement ("**DPA**") through the enactment of Law No. 20 of 2025 on the Code of Criminal Procedure (*Kitab Undang-Undang Hukum Acara Pidana* or "**KUHAP**"), which came into force on 2 January 2026. In doing so, the KUHAP moves DPAs from theory into practice by enabling the implementation of a court-approved DPA. At the same time, it raises critical questions for businesses in Indonesia: when can a DPA be proposed – during investigation or only before trial? Which corporate offenses are eligible? How far can prosecutors go in structuring investigations and remediation obligations?

As courts begin to interpret the new framework, corporations must quickly understand how DPAs work, how they compare to international models, and how they can be strategically used.

What Is a DPA and How Is It Regulated in Indonesia?

A DPA is an agreement between the Public Prosecutor and a corporate suspect or defendant under which criminal prosecution is suspended, with the possibility of dismissal if the corporation complies with the agreed conditions under the DPA. DPAs are intended to resolve corporate criminal cases more efficiently, minimise disruption to business continuity, and promote compliance, remediation, and recovery.

Under the new KUHAP, DPAs are formally introduced under Article 328. While DPAs are generally associated with economic crimes and environmental offences, the KUHAP does not expressly limit their application to specific types of cases.

Under Article 328(8), any proposed DPA is subject to judicial review. The court must examine and assess its validity and adequacy by taking into account, among others:

- Whether the proposed DPA complies with laws and regulations;
- The proportionality of sanctions and obligations imposed on the corporation;
- The impact on victims, the public, the environment, the national economy, and the criminal justice system; and
- The corporation's ability to fulfil the agreed conditions.

This judicial oversight underscores the court's role in ensuring that DPAs operate not merely as procedural alternatives, but as substantive mechanisms that serve the public interest.

The KUHAP also outlines the types of conditions that may be included in the DPA, such as:

- Payment of compensation or restitution to victims;
- Implementation or enhancement of compliance programmes, including anti-corruption measures;
- Reporting obligations and cooperation with law enforcement authorities during the deferral period of prosecution;
- Other corrective measures deemed necessary by the Public Prosecutor.

Emerging Practice in Indonesia

On 4 May 2026, the Serang District Court approved Indonesia's first DPA under the new KUHAP through Court Decision No. 1/Pen.Pid-PPP/2026/PN Srg, involving PT Crown Steel in a hazardous and toxic waste (B3) management case. This decision marks a significant milestone in the enforcement of corporate criminal liability in Indonesia.

Notably, the court went beyond establishing the underlying legal violation and instead scrutinised whether the proposed DPA effectively addressed the case's core objective, namely, "meaningful environmental remediation and restoration." The decision reflects a pragmatic shift towards resolution-focused enforcement, positioning DPAs as a

viable tool for managing corporate criminal exposure while maintaining accountability and serving the public interest.

Practical Points for Considerations

DPAs are poised to become an increasingly relevant option for corporations facing criminal exposure. As a resolution mechanism, they offer efficiency and earlier legal certainty, while helping to safeguard reputation, preserve business continuity, and minimise litigation costs, particularly in cases where formal prosecution may have significant commercial consequences.

In assessing whether a DPA is appropriate, corporations should consider:

- The scale of the alleged loss;
- The involvement of senior management (potentially warranting individual prosecution);
- The company's historical compliance record;
- The frequency and duration of the misconduct;
- The likely impact of prosecution on corporate viability and reputation; and
- Whether public officials are implicated, as such cases are typically less suitable for DPAs.

Corporations should also act proactively by strengthening compliance programs, establishing clear policies for cooperation with law enforcement, conducting regular internal audits and risk assessments, preparing concrete and measurable remediation plans, and documenting governance improvements. Courts and prosecutors will closely scrutinise a corporation's good faith, remediation capacity, and ability to comply with DPA conditions. Against this backdrop, early preparation will be critical to ensuring that corporations are well positioned to engage constructively should a DPA opportunity arise.

For regional Dispute Resolution matters, please see Rajah & Tann Asia's [Regional Dispute Resolution Practice](#) for more information.

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