

Competition

New Completion Target on the Amendment of the Indonesian Competition Law

The amendment process of Law No. 5 of 1999 on the Prohibition of Monopolistic Practices and Unfair Business Competition ("ICL") started 2 years ago, but the process was delayed due to the selection procedure of the KPPU's commissioners for the office term of 2018–2023 (*Komisi Pengawas Persaingan Usaha*—the Indonesian Competition Authority). As the commissioners are appointed, the House of Representatives ("DPR") is now putting its focus on the amendment of the ICL. According to the DPR's schedule, the amendment should be finalized on 19 July and will be promulgated shortly after.

At the current state of discussion, there are some differences between the Government's and the DPR's position on the amendment. Some key amendment issues are set out below:

ISSUES	REMARKS
Administrative fines	The DPR proposes a higher administrative fines, up to 30% of sales value generated during the period of violation, while the Government proposes a lower maximum fine, up to only 25%.
Merger notification	The pre-closing merger notification regime becomes mandatory. Fines up to 30% of the transaction value may be imposed for any failure to notify.
Leniency programme	Introduction of a short provision on leniency programme and details of the programme will be set forth in a subsequent regulation.
Exemptions from the application of ICL	Currently, the exemptions from the application of the ICL can only be granted by law. The government proposes to add possibilities to introduce exemptions by regulation (below <i>undang-undang</i> level). The DPR proposes to remove agreements related to intellectual property rights exemption.
Interim order by KPPU	The amendment provides the KPPU an authority to impose a temporary order at the beginning of the hearing, pending unlawful causes before the KPPU's final decision.
Extra-territorial application	Introduction of the extra-territorial jurisdiction application of the ICL on the basis of the "effects" doctrine, which permits the exercise of the jurisdiction over the extra-territorial activities of foreigners which produce economic effects within the territory, in the context of the competition policy.

Competition

Repeal of the KPPU related provisions	The DPR aims to repeal all the ICL provisions related to the KPPU and to transpose the KPPU related provision to a subsequent regulation which will be drafted later; this action can affect the legitimacy of the KPPU's authorities during the transition period.
---------------------------------------	---

Further change on the ICL amendment is still possible until the amendment is passed. After the new ICL is issued, we will organize a seminar on the effect of new competition law to your business.

Assegaf Hamzah & Partners

Contacts



Chandra M. Hamzah
Partner
Competition

D +62 21 2555 9999
F +62 21 2555 7899
chandra.hamzah@ahp.id



Vovo Iswanto
Of Counsel
Competition

D +62 21 2555 9938
F +62 21 2555 7899
vovo.iswanto@ahp.id



Farid Fauzi Nasution
Partner
Competition

D +62 21 2555 9998
F +62 21 2555 7899
farid.nasution@ahp.id



Albert Boy Situmorang
Senior Associate
Competition

D +62 21 2555 9955
F +62 21 2555 7899
albert.situmorang@ahp.id



Anastasia Pritahayu R.D.
Senior Economist
Competition

D +62 21 2555 9934
F +62 21 2555 7899
anastasia.pritahayu@ahp.id

Our Regional Contacts

RAJAH & TANN | *Singapore*

Rajah & Tann Singapore LLP

T +65 6535 3600
F +65 6225 9630
sg.rajahtannasia.com

CHRISTOPHER & LEE ONG | *Malaysia*

Christopher & Lee Ong

T +60 3 2273 1919
F +60 3 2273 8310
www.christopherleeong.com

R&T SOK & HENG | *Cambodia*

R&T Sok & Heng Law Office

T +855 23 963 112 / 113
F +855 23 963 116
kh.rajahtannasia.com

RAJAH & TANN NK LEGAL | *Myanmar*

Rajah & Tann NK Legal Myanmar Company Limited

T +95 9 7304 0763 / +95 1 9345 343 / +95 1 9345 346
F +95 1 9345 348
mm.rajahtannasia.com

RAJAH & TANN 立杰上海 SHANGHAI REPRESENTATIVE OFFICE | *China*

Rajah & Tann Singapore LLP Shanghai Representative Office

T +86 21 6120 8818
F +86 21 6120 8820
cn.rajahtannasia.com

GATMAYTAN YAP PATACSIL GUTIERREZ & PROTACIO (C&G LAW) | *Philippines*

Gatmaytan Yap Patacsil Gutierrez & Protacio (C&G Law)

T +632 894 0377 to 79 / +632 894 4931 to 32 / +632 552 1977
F +632 552 1978
www.cagatlaw.com

ASSEGAF HAMZAH & PARTNERS | *Indonesia*

Assegaf Hamzah & Partners

Jakarta Office

T +62 21 2555 7800
F +62 21 2555 7899

Surabaya Office

T +62 31 5116 4550
F +62 31 5116 4560
www.ahp.co.id

RAJAH & TANN | *Thailand*

R&T Asia (Thailand) Limited

T +66 2 656 1991
F +66 2 656 0833
th.rajahtannasia.com

RAJAH & TANN LCT LAWYERS | *Vietnam*

Rajah & Tann LCT Lawyers

Ho Chi Minh City Office

T +84 28 3821 2382 / +84 28 3821 2673
F +84 28 3520 8206

RAJAH & TANN | *Lao PDR*

Rajah & Tann (Laos) Sole Co., Ltd.

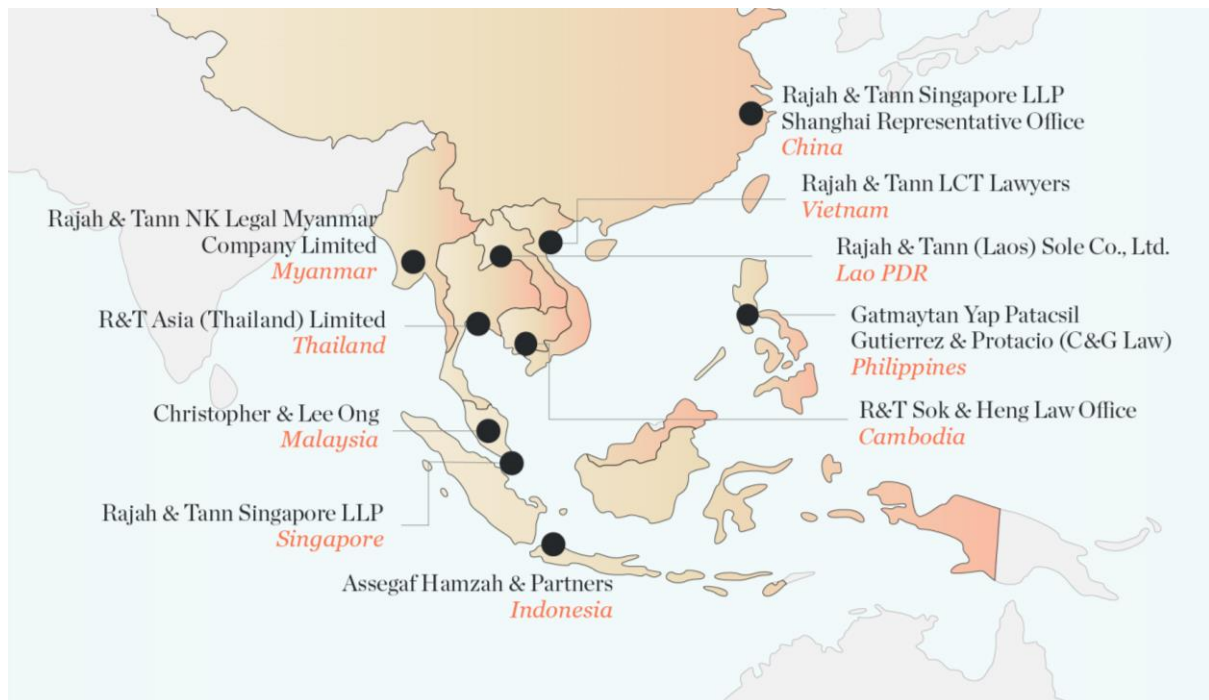
T +856 21 454 239
F +856 21 285 261
la.rajahtannasia.com

Hanoi Office

T +84 24 3267 6127
F +84 24 3267 6128
www.rajahtannlct.com

Member firms are constituted and regulated in accordance with local legal requirements and where regulations require, are independently owned and managed. Services are provided independently by each Member firm pursuant to the applicable terms of engagement between the Member firm and the client.

Our Regional Presence



Based in Indonesia, and consistently gaining recognition from independent observers, Assegaf Hamzah & Partners has established itself as a major force locally and regionally, and is ranked as a top-tier firm in many practice areas. Founded in 2001, it has a reputation for providing advice of the highest quality to a wide variety of blue-chip corporate clients, high net worth individuals, and government institutions.

Assegaf Hamzah & Partners is part of Rajah & Tann Asia, a network of local law firms in Singapore, Cambodia, China, Indonesia, Lao PDR, Malaysia, Myanmar, Philippines, Thailand and Vietnam. Our Asian network also includes regional desks focused on Japan and South Asia.

The contents of this Update are owned by Assegaf Hamzah & Partners and subject to copyright protection under the laws of Indonesia and, through international treaties, other countries. No part of this Update may be reproduced, licensed, sold, published, transmitted, modified, adapted, publicly displayed, broadcast (including storage in any medium by electronic means whether or not transiently for any purpose save as permitted herein) without the prior written permission of Assegaf Hamzah & Partners.

Please note also that whilst the information in this Update is correct to the best of our knowledge and belief at the time of writing, it is only intended to provide a general guide to the subject matter and should not be treated as a substitute for specific professional advice for any particular course of action as such information may not suit your specific business and operational requirements. It is to your advantage to seek legal advice for your specific situation. In this regard, you may call the lawyer you normally deal with in Assegaf Hamzah & Partners.