

GENERAL CORPORATE / M&A

Stricter Annual Reporting Requirements for Limited Liability Companies



Indonesia now has a clear mechanism, along with real consequences, for late annual report submissions. Minister of Law Regulation No. 49 of 2025 on the Requirements and Procedures for the Establishment, Amendment, and Dissolution of Limited Liability Companies ("**Regulation 49/2025**") introduces a defined reporting process, deadlines, and enforceable sanctions, all of which is changing how companies must handle their annual compliance cycle.

Under Indonesian Companies Law (Law No. 40 of 2007, as amended), board of directors have long been required to submit an annual report to both the general meeting of shareholders ("**GMS**") and the Minister of Law. However, the law does not explain how companies should submit their reports or specify administrative sanctions for non-compliance.

Regulation 49/2025 addresses this gap by introducing detailed reporting procedures along with strengthened supervisory and enforcement mechanisms. With these changes in place, companies now face clearer expectations and consequences when it comes to annual report submission. The key requirements under Regulation 49/2025 are outlined below.

Revamped Obligation to Submit Annual Report

Article 66 of the Companies Law requires a company's board of directors to submit an annual report to the GMS no later than six months after the end of the company's financial year. At the minimum, the annual report must include the company's annual financial statements, which consist of the balance sheet, profit and loss statement, cash flow statement, statement of changes in equity, and, where applicable, the auditor's notes.

These requirements are further reinforced under Article 16 of Regulation 49/2025, which maintains the same six-month deadline and introduces the following additional steps:

1. The GMS resolution approving the annual report must be restated in a notarial deed.
2. Within 30 calendar days after the deed is signed, the board of directors, through a notary, must notify the Minister of Law by submitting an electronic notification through the Legal Entity Administration System (*Sistem Administrasi Badan Hukum* or "**SABH**"). Such notification must include: (i) the notarial deed; and (ii) the annual report

Once the submission is completed, the Minister of Law, through the Director General, will issue an acknowledgment of receipt.

Administrative Sanctions

Under Article 17(1) of Regulation 49/2025, companies that fail to submit their annual report on time may face the following administrative sanctions:

1. Written warnings delivered through SABH and/or email; and
2. Suspension of SABH access if the company still does not comply within 30 days of the warning.

To restore access, companies must submit an unblocking request through SABH and upload the required documents noted above.

Key Takeaways

Regulation 49/2025 marks a significant shift in how the Ministry of Law oversees and enforces the annual report obligations. Key points for companies:

1. **Non-compliance now has operational impact:** Suspension of SABH access can delay or halt corporate administrative actions and filings.
2. **Deadlines are strictly enforced:** The 30-day deadline after notarisation is strictly enforced, and non-compliance will trigger warnings and potential access blocking.
3. **Reporting scope is wider:** The annual report must include all components under Article 16 of Regulation 49/2025, including social and environmental responsibility reporting, which may require additional preparation time and cost for the company.
4. **Internal workflows may need updating:** Companies should review and update their internal workflows to ensure annual reports are prepared, approved, and submitted within the required timelines.

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