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CONTENTS

Introduction	3
Looking Back: 2023	4
Gazing Into: 2024	6
Key Contacts	8
Our Regional Contacts	10
Disclaimer	11

Introduction



Throughout the year, we have been keeping you up to date on noteworthy developments across the region with our Regional Round-up Publications. As we enter 2024, we are pleased to share with you our *2023 year-in-review of the Regional Round-up* for our Regional Offices in the Rajah & Tann Asia network.

In each jurisdiction, we recount the key milestones in the path that has been travelled in 2023, as well as consider the terrain of the road that lies ahead in 2024. In the "**Looking Back: 2023**" section, we take stock of the past year and highlight the key legal and regulatory developments affecting each jurisdiction in 2023. In the "**Gazing Into: 2024**" section, we look ahead to some key areas of development that you should take note of in the year to come, referencing the legal and business trends shaping up potential legislative and regulatory changes in each jurisdiction.

We hope that this year-in-review edition of the Regional Round-up provide some perspective and insight into the legal landscape of the jurisdictions across the region. As always, please feel free to contact our lawyers in our Regional Offices if you have any queries or for further discussions.

Please click on the links below to access the full collection of our country-specific *2023 year-in-review of the Regional Round-up*:

- [Cambodia](#)
- [China](#)
- [Indonesia](#)
- [Laos](#)
- [Malaysia](#)
- [Myanmar](#)
- [Philippines](#)
- [Singapore](#)
- [Thailand](#)
- [Vietnam](#)

Looking Back: 2023

*In 2023, Indonesia underwent significant financial regulatory changes to enhance market transparency and investor protection. The Indonesia Stock Exchange ("IDX") introduced a **Watchlist Board** to monitor companies with unusual market activities, and launched Indonesia's **carbon exchange**, governed by the Financial Services Authority ("OJK"). Simultaneously, the BUMN Omnibus Regulations reshaped **corporate governance for State-Owned Enterprises ("SOE")**, with a focus on transparency and efficiency.*



Summaries of the key developments relating to the above areas are provided below.

Capital Markets – IDX Tightens Supervision on Listed Companies with the Introduction of the Watchlist Board

IDX has introduced the Watchlist Board to enhance transparency and investor protection by formally identifying companies with unusual market activities. Companies that are placed on the list include those that have low share prices or do not comply with listing requirements. There is a structured process for companies to be added or removed based on financial performance and compliance. This regulatory change is expected to boost investor confidence, encourage better company performance, and foster a more organised and investor-friendly market. Click [here](#) for more information.

Crypto Assets – Latest Developments in the Indonesian Crypto Market: Indonesian Crypto Ecosystem Comes Full Circle

Indonesia's Commodity Futures Trading Regulatory Agency or Bappebti has approved key institutions to regulate and facilitate cryptocurrency transactions, including a crypto asset bourse, clearing house, and custodian. This move enhances transparency and safety in the Indonesian crypto market, with recent regulations imposing exclusivity requirements for approved bourses and a moratorium on new registrations, signalling Indonesia's commitment to a well-regulated crypto sector and the upcoming transition from Bappebti to OJK as the regulatory authority. Click [here](#) for more information.

Sustainability – Indonesia's Carbon Exchange is Here. What Businesses Need to Know

Indonesia enacted Law No. 4 of 2023 on the Development and Strengthening of the Financial Sector (P2SK Law), granting OJK authority over the carbon exchange sector. Following OJK Regulation No. 14 of 2023 on Carbon Trading through Carbon Exchange, IDX became the approved operator of the carbon exchange, allowing trading in carbon units to commence. The

regulations aim to establish a transparent market mechanism for emission reduction targets, with OJK overseeing licensing, supervision, and the imposition of sanctions for violations. Click [here](#) for more information.

Corporate Governance – Navigating Corporate Governance and Risk Management Requirements in the BUMN Omnibus Regulation

The BUMN Omnibus Regulations that was issued in March 2023 brought about significant changes to the corporate governance of SOEs in Indonesia. Minister Regulation No. PER-2/MBU/02/2023 on Guidelines for the Governance and Significant Corporate Activities of State-Owned Enterprises introduced new pillars of good corporate governance, mediation of disputes, defined directorial responsibilities, set criteria for auditors, and implemented a whistleblowing system. These changes aim to enhance transparency and efficiency of SOEs. However, due to the varying levels of resources among SOEs, there may be challenges in the universal adoption of the digital procurement platform. Click [here](#) for more information.

Gazing Into: 2024

*In 2024, significant legal and regulatory developments are expected in three key sectors, namely, **renewal energy, electric vehicle and digital data economy** (in particular with regard to **Artificial Intelligence ("AI")**).*

Indonesia, the world's fourth most populous country and the largest economy in Southeast Asia, faces increasing energy demands with 87% of its energy generated from fossil fuels as of 2021. To meet **renewable energy targets** set in the 2007 Energy Law, the Government introduced Presidential Regulation No. 112 of 2022 on the Acceleration of Renewable Energy Development for Power Supply, focusing on banning new coal power plants, implementing a ceiling tariff structure for renewables, streamlining procurement processes, and providing incentives for geothermal energy.



For now, the 23% renewable energy goal by 2025, as mandated by the 2007 Energy Law, still applies. However, the National Energy Council has stated that this 23% target will be revised this year to a range of 17%-19%. Despite this potential adjustment, 2024 will be a critical year to assess the practical impact of these regulations, particularly in terms of coal production, and observe whether Indonesia makes substantial progress towards a more sustainable and diversified energy landscape. Click [here](#) for more information.

Boasting the world's largest nickel reserves at around 30%, Indonesia is strategically positioning itself as a **major player** in the **electric vehicle ("EV") and lithium battery industry**. During President Joko Widodo's visit to China in July 2023, he emphasised the Government's commitment to prioritising the EV ecosystem, from raw materials to electric batteries and vehicles. Indonesia aims to follow the successful models of Taiwan and South Korea, and aim to make itself indispensable to other nations. Despite challenges such as high taxes which contributed to elevated EV prices, President Jokowi is actively seeking investments from international companies like BYD Co Ltd., Wuling Motors, Hyundai, NETA Auto, Chery, and Tesla. As the country works towards building a robust EV ecosystem, attention is now focused on the potential impact of the 2024 governmental transition and the need for legal frameworks to sustain the progress initiated during President Jokowi's administration.

As 2024 progresses, expectations are high for the continued expansion of Indonesia's EV sector, with hopes that ongoing regulatory support and investments will solidify the nation's position as a **global hub for EV and battery production**.

The year 2023 witnessed a global surge in **AI**, marked by advancements and legal conflicts, notably exemplified by The New York Times' lawsuit against OpenAI and Microsoft for alleged IP rights infringement. In Indonesia, the Government took a proactive stance in introducing a "soft law" approach through Circular Letter No. 9 of 2023 ("**Circular Letter**") from the Ministry of Communication and Informatics. The Circular Letter emphasised ethical AI practices, outlining key values and requirements for

businesses involved in AI programming. Looking ahead to 2024, the AI landscape is poised for continued regulatory evolution, with a growing emphasis on **ethical considerations** and **responsible AI applications**. Click [here](#) for more information.

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