



REQUIREMENT IN THE OSS SYSTEM FOR COMPANIES TO ADJUST THEIR KBLI TO THE 2017 KBLI

On 11 October 2018, both the Online Single Submission (“OSS”) Team and the Directorate General of General Legal Administration in their websites (<https://oss.go.id> and <http://portal.ahj.go.id/>) posted a joint notice of the Ministry of Law and Human Rights Cq. the Directorate General of General Legal Administration and the Coordinating Ministry for Economic Affairs Cq. the OSS Agency (the “Joint Notice”), focusing primarily on the use the 2017 Standard of Indonesian Business Field Classifications (*Klasifikasi Baku Lapangan Usaha Indonesia – “KBLI”*) as a reference for deciding in how to describe a limited liability company’s objective, purposes and business activities in its Articles of Association and in the OSS system.

According to the Joint Notice, limited liability companies which have obtained ratification of their legal entity status from the Ministry of Law and Human Rights must make the necessary adjustments so that their KBLI is the same as the KBLI the Coordinating Ministry for Economic Affairs cq. the OSS Agency uses.

Recently, discrepancies have occurred between the data of limited liability companies in the Legal Entity Administration System (*Sistem Administrasi Badan Hukum – “SABH”*) and in the OSS System of the Coordinating Ministry for Economic Affairs, because the OSS System uses the 2017 KBLI, while the SABH uses the previous KBLI. This has resulted in data discrepancies between the Ministry of Law and Human Rights and the Coordinating Ministry for Economic Affairs and the inability to process Business Entity Numbers (*Nomor Induk Berusaha – “NIB”*) in the OSS System.

Because of the above discrepancies, the Ministry of Law and Human Rights Cq. the Directorate General of General Legal Administration and the Coordinating Ministry for Economic Affairs Cq. the OSS Agency will process and issue NIBs to limited liability companies whose objectives, purposes and business activities have not used the 2017 KBLI, provided that within a 1 (one) year they adjust them to the 2017 KBLI through the SABH of the Directorate General of General Law Administration using the procedure provided in the laws and regulations governing limited liability companies, where under Law Number 40 of 2007 changes to objectives and purposes constitute amendments to a limited liability company’s Articles of Association which require approval from the Minister of Law and Human Rights.

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According to the Joint Notice if a limited liability company does not adjust its Articles of Association as required within the time limit, its NIB will be suspended.

While the requirement to obtain an NIB is clear under Government Regulation No. 24 of 2018, so far, no new regulation on the requirement for limited liability companies to adjust their Articles of Association to conform to the 2017 KBLI has been issued yet. It is also still not clear whether the 1 (one) year time limit is calculated from the date of the Joint Notice, ie 11 October 2018 or the date on which the limited liability company obtains its NIB. We will keep you informed on any update in connection with this new requirement.

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