

Indonesia's Newly Established Sovereign Wealth Fund: A New Chapter in Indonesia's Economy

To meet national development goals, Indonesia needs foreign investment and an institution that can be a strategic investment partner, with a strong legal and institutional basis, which applies international practices, professional standards and can act as the “middleman” for those interested to invest in Indonesia. To address this issue and as mandated by Law No. 11 of 2020 on Job Creation which came into effect on 2 November 2020 (known as the “Omnibus Law”), the Government of Indonesia (“GOI”) has officially established a sovereign wealth fund, known as the Indonesian Sovereign Wealth Fund or the Indonesia Investment Authority (Lembaga Pengelola Investasi – “LPI”).

This publication provides introduction to the LPI as Indonesia's newly established sovereign wealth fund based on applicable laws and regulations by also taking into account some issues to be considered for ensuring the LPI will reach its purposes and objectives, such as among others, issues relating to the LPI's permitted activities, governance, public transparency and accountability.