

INDONESIA'S NEW CONSTRUCTION LAW

On Thursday 15 December 2016 the House of Representatives passed the new Law on Construction Services ("**New Construction Law**") that replaces the previous law ("**Law No. 18/1999**"). The New Construction Law was enacted by the President of the Republic of Indonesia on 12 January 2017 as Law No. 2 of 2017 on Construction.

Official copies of the New Construction Law have not been published yet. However, we have reviewed the draft New Construction Law which has been passed and expect only minor changes due to editing.

The New Construction Law provides more details than Law No. 18/1999. Although, most of the articles of the New Construction Law are the same as those of Law No. 18/1999 and its implementing regulations with further clarification provided, the New Construction Law introduces the following significant changes: a) Tender Requirements; b) Prevailing Language; and c) Subcontracting.