



Issue 16 | October 2024

Indonesia Strengthens Competition Commission

The government has strengthened and restructured the Indonesian Competition Commission (*Komisi Pengawas Persaingan Usaha* – “**KPPU**”) to enhance its effectiveness in supervising business competition. The main changes include broadening the role of the KPPU’s General Secretariat, clarifying its enforcement roles, as well as introducing new working procedures for its members.

Amid a flurry of regulations issued during his final months in office, then-President Joko Widodo issued Presidential Regulation No. 100 of 2024 on the KPPU (“**PR 100/2024**”) on 10 September 2024. PR 100/2024 revokes Presidential Decree No. 75 of 1999 on the KPPU, as amended by Presidential Regulation No. 80 of 2008.

Under PR 100/2024, the role of the KPPU General Secretariat in assisting the Commission is clarified to include providing administrative and technical support. The General Secretariat will be led by a General Secretary and consist of five bureaus, to be determined to internal needs. This institutional transformation is expected to strengthen the KPPU’s role in supervising business competition by streamlining its internal workforce. Notably, KPPU members are now recognized as civil servants, following years of advocacy for this formal designation.

In addition to the institutional transformation, PR 100/2024 reaffirms and expands the KPPU’s role in supervising compliance with Law No. 5 of 1999 on the Prohibition of Monopolistic Practices and Unfair Business Competition. The new regulation mandates additional duties for the KPPU, including supervising partnerships or cooperation between large-scale and small-scale businesses, a responsibility not covered in the previous regulation.

Furthermore, PR 100/2024 introduces a working procedure that KPPU members must follow when handling cases. In principle, they must remain free from government influence in their decision-making. They are also prohibited from having blood relatives or marital relationships up to the third degree with any party involved in a case or having a vested interest in the matter. If a party believes that a KPPU member handling their case has a conflict of interest, they can submit written evidence to request the removal of that member from examining or deciding the case.

These internal changes are expected to ultimately bolster the KPPU's ability to fulfill its duties and functions, improving its effectiveness in enforcing business competition laws and regulations. This should enhance the government's oversight of monopolistic and unfair business practices in Indonesia.

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