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Update on Fines and Content Takedowns for Online Platforms in Indonesia

The Indonesian government has updated its approach to fines and content takedowns for user-generated content (“**UGC**”) violations. Initially, enforcement will focus on online content related to gambling, pornography, and terrorism, with plans to expand to other prohibited content, such as defamation.

These updates are outlined in Minister of Communication and Informatics (now Minister of Communication and Digital Affairs – “**MOCD**”) Decree No. 522 of 2024 (the “**New Decree**”),¹ issued on 18 October 2024,² and effective from 28 October 2024. The New Decree introduces a phased system for imposing penalties on private sector UGC Electronic System Organizers (“**UGC ESOs**”) that fail to comply with content moderation requirements.

A. What’s New: SAMAN System

In March 2024, the Indonesian government introduced Minister of Communication and Informatics Decree No. 172 of 2024 (the “**Old Decree**”),³ which set guidelines for fines against UGC ESOs that fail to manage user-generated content properly. Fines are also imposed if UGC ESOs fail to disconnect users who post harmful content.

¹ Minister of Communication and Informatics Decree No. 522 of 2024 on the Amendment to the Minister of Communication and Informatics Decree No. 172 of 2024 on Implementation Guidelines for Non-Tax State Revenue Originating from the Imposition of Administrative Fines for Violations of the Fulfillment of Obligations by Private Sector Electronic System Organizers Regarding User-Generated Content to Perform Access Termination.

² The New Decree was issued just two days before President Prabowo Subianto took office on 20 October 2024 and the communications portfolio was renamed as the Minister of Information and Digital Affairs.

³ Minister of Communication and Informatics Decree No. 172 of 2024 on Implementation Guidelines for Non-Tax State Revenue Resulting from Administrative Fine Sanctions for Violations of the Obligation Fulfillment by Private Sector Electronic System Organizers for User-Generated Content to Implement Access Disconnection.

The Old Decree set out administrative fines for platforms, including social media services, that fail to remove harmful content. This includes content that violates Indonesian laws on pornography, gambling, terrorism, hate speech, false information, and other prohibited categories.

The New Decree maintains the same rules but introduces the Content Moderation Compliance System (*Sistem Kepatuhan Moderasi Konten* – “**SAMAN**”), which streamlines the enforcement of fines and content removal processes. SAMAN is designed to ensure UGC ESOs comply with content moderation requirements. If a platform fails to remove harmful or illegal content, it faces administrative fines. SAMAN applies to private sector platforms that host user-generated content, such as social media and video platforms.

B. Phased Implementation and Enforcement

The SAMAN system will be rolled out in two phases:

- a. **Pilot Phase (28 October 2024 to 28 October 2025):** SAMAN will initially focus on enforcing penalties for specific prohibited content categories, including pornography, gambling, terrorism and illegal financing activities, food, drugs and cosmetics. This phase will test and refine the system. After this period, SAMAN will fully enforce moderation and takedown requirements across all prohibited content types.
- b. **Full Application (from 28 October 2025):** After the pilot phase, SAMAN will be fully implemented, covering all types of prohibited content as defined by Indonesian regulations, including those contrary to the state’s ideology, leading to SARA (groups, tribes, religions, races or classes) conflicts and inciting people to engage in violence as well as to abuse addictive substances.

Platforms must comply with SAMAN's content moderation rules. If flagged harmful content is not removed within the required time determined by the MOCD, UGC ESOs will face administrative fines based on the severity of the violation and their response time. The full guidelines for content takedowns and fines are also outlined in the appendices of the New Decree, detailing how SAMAN operates and how fines are calculated.

C. Implications and Sanctions: What Does This Mean for UGC ESOs?

With the implementation of SAMAN, this suggests that UGC ESOs must implement effective content moderation systems to identify and remove harmful user-generated content such as pornography, gambling, and terrorism-related material. UGC ESOs that fail to remove harmful content within the required timeframes after an initial warning will face substantial fines under SAMAN.

UGC ESOs that do not comply with content takedown requirements will face administrative fines. The amount depends on the type of violation and the platform’s failure to act promptly in removing the harmful content. The SAMAN system ensures that penalties are imposed consistently and in accordance with the violation’s severity. Several factors influence the fine calculation, including:

- a. **Content Type:** The nature of the harmful content (e.g., terrorism-related content is considered urgent).
- b. **Warning Status:** The UGC ESO's history with content moderation (e.g., second warning).
- c. **Business Scale:** The size of the business, based on annual sales.
- d. **Views:** The reach of the harmful content, as measured by the number of views.
- e. **Compliance:** The UGC ESO's success rate in handling flagged content.
- f. **UGC Index:** The number of active users on the platform.
- g. **Viral Index:** The potential viral reach of the content.

To illustrate how fines are calculated under the new system, the following is a hypothetical example of a violation, in which an UGC ESO fails to take down a terrorism-related post for a second time, incurring a second warning.

Example Assumptions	<p>Content Type: Terrorism-related content. Warning Status: Second warning (Warning Index = 0.25). Business Scale: Medium scale business (annual sales between Rp15,000,000,000 and Rp50,000,000,000). Views: Content has 5 million to 10 million views (Viral Index = 0.75). Compliance: Medium compliance rate (Index = 0.5). UGC Index: Platform with 10-20 million active users (Index = 0.4).</p>									
Step-by-Step Calculation	<p>Content Index: Since the content is terrorism-related, the Content Index = 1. UGC Index: With 10-20 million active users, the Index = 0.4. Business Scale Index: Medium scale business (Index = 0.75). Warning Index: Second warning (Index = 0.25). Compliance Index: Medium compliance (Index = 0.5). Viral Index: With 5 million to 10 million views, Viral Index = 0.75. Maximum Points: 5,000 points as per the regulation.</p>									
Formula	$\text{Violation Points} = (\text{Content Index}) \times (\text{UGC Index}) \times (\text{Business Scale Index}) \times (\text{Warning Index}) \times (\text{Compliance Index}) \times (\text{Viral Index}) \times (\text{Maximum Points})$									
Substituting the values	$\text{Violation Points} = 1 \times 0.4 \times 0.75 \times 0.25 \times 0.5 \times 0.75 \times 5000 = \mathbf{140.625 \text{ points}}$									
Fine Calculation	<table style="width: 100%; border: none;"> <tr> <td style="width: 50%;">Fine = Violation Points</td> <td style="width: 10%; text-align: center;">×</td> <td style="width: 40%;">Fine Rate per Point</td> </tr> <tr> <td>Fine = 140.625</td> <td style="text-align: center;">×</td> <td>100,000</td> </tr> <tr> <td colspan="3">Fine = IDR14,062,500</td> </tr> </table>	Fine = Violation Points	×	Fine Rate per Point	Fine = 140.625	×	100,000	Fine = IDR14,062,500		
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To support compliance, the New Decree allows UGC ESOs to request interconnection with the SAMAN system via an Application Programming Interface (API). This interconnection links the UGC ESOs' systems directly with SAMAN, enabling an automated process for receiving and addressing content removal orders. Through this integration, UGC ESOs may streamline their response to take down orders, ensuring timely and efficient compliance. However, the interconnection request will first be evaluated from budgetary, technical, and operational perspectives, potentially involving other ministries, agencies, or third parties in the process. If approved, the UGC ESOs must implement the API in line with the determined technical guidelines to ensure proper functionality. Furthermore, in the event of technical disruptions in SAMAN's operations that render the system inaccessible, the calculation of compliance deadlines and administrative penalties will be temporarily halted and resume once SAMAN is operational again, ensuring that UGC ESOs are not unfairly penalized during periods of system downtime.

D. Conclusion

With the introduction of SAMAN and the phased enforcement of the New Decree, Indonesia is adopting a more structured approach to managing online content violations. UGC ESOs must ensure full compliance with the updated regulations to avoid penalties. As SAMAN enters its pilot phase in October 2024, platforms should prepare for heightened scrutiny and stricter enforcement of content moderation standards.

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