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Mandatory adjustment of description of business activities to conform to KBLI of 2017

## PwC Indonesia Legal Alert

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On 11 October 2018, the Coordinating Ministry for Economic Affairs, acting through the Online Single Submission ("OSS") Body and the Ministry of Law and Human Rights and the Directorate General of General Legal Administration ("Ditjen AHU"), issued a joint announcement on their respective websites (https://oss.go.id and http://portal.ahu.go.id/) (the "Joint Announcement").

Based on the Joint Announcement, any limited liability company that already obtained ratification of its legal entity status from the Minister of Law and Human Rights shall adjust its business activities classification to the Indonesia Standard Industrial Classification (*Klasifikasi Baku Lapangan Usaha Indonesia* or "**KBLI**") of 2017.

This mandatory adjustment comes into effect due to an ongoing situation that the Legal Entity Administration System ("SABH") maintained by Ditjen AHU and the OSS system maintained by OSS Body are designed to be interconnected, whereby in processing the application for a Single Business Numbers (*Nomor Induk Berusaha* or "NIB"), the OSS system relies upon the data of limited liability companies recorded in the SABH. However, the OSS system currently uses the 2017 KBLI whilst the data recorded in the SAHB uses the previous version of KBLI. This data mismatch has resulted in the OSS system being unable to process a NIB application.

To sort out the above issue in accordance with the Joint Announcement, Ditjen AHU and the OSS Body will process the application for and issue a NIB for a limited liability company whose objectives, purposes, and business activities are not in line with the 2017 KBLI, **provided that** the said company shall adjust its objectives, purposes, and business activities to conform to 2017 KBLI by amending its articles of association within one year as of the date of the Joint Announcement. Failure to do so will result in its NIB being frozen.



## **Contacts**

Please feel free to contact our Legal Specialists.



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New location. New direction.
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We look forward to welcoming you to our new office.

