

Client Update: Competition Law

September 2020

KPPU implements new measures due to tightening of large-scale social restrictions in Jakarta

Background

In response to the sharp increase in positive or confirmed COVID-19 cases, the Jakarta Regional Government issued a decree on 14 September 2020 to tighten the health and safety requirements for offices in Jakarta through the re-introduction of large-scale social restrictions (**PSBB**) (as set out in Governor of the Special Capital Region of Jakarta (**Governor**) Decree 959 of 2020 (**Governor Decree 959/2020**)). Governor Decree 959/2020 implements a new PSBB regime from 14 September until 27 September 2020, most recently extended until 11 October 2020, replacing the so-called “transitional PSBB” period that had eased some of the restrictions under the original PSBB regime that has been in place since 5 June 2020.

Impact of the latest PSBB regulations on the Indonesian Competition Commission (KPPU)

On 21 September 2020 we were informed by a KPPU official that the KPPU had partly resumed its office operations and partially lifted the implementation of a full-scale “working from home” arrangement that had been in place since 8 September 2020. The KPPU was able to partially lift such restrictions while still complying with Governor Decree 959/2020 as well as the health and safety requirements under the relevant Governor regulation on the implementation of PSBB to deal with the COVID-19 pandemic (that is, Governor Regulation 88 of 2020 amending Governor Regulation 33 of 2020 on the Implementation of Large-Scale Social Restrictions in the Handling of Corona Virus Disease 2019 (COVID-19) in the Special Capital Region of Jakarta (**Governor Regulation 88/2020**)).

In accordance with Governor Regulation 88/2020, KPPU has limited the number of staff working from the KPPU office on a rotational basis to only 25% of the total staff number, with the remaining 75% working from home. While such measures will limit the availability of KPPU staff present in the office, we have been informed that KPPU’s services will not all be affected, so that most law enforcement activities (described below) and merger filing notifications can continue as per normal, mainly because they are conducted online.

For law enforcement activities such as analysing anti-trust violation reports, initiating and following up anti-trust investigations, conducting hearings, anti-trust notification assessments and prosecuting delayed notification cases, KPPU will use electronic communications, such as email and audio-visual meetings. Although the aim of these online procedures is to limit face-to-face meetings between KPPU officials and external parties, the KPPU still maintains the authority to request parties to physically attend hearings or meetings.

The “work around” involving online procedures enables the KPPU to continue with any law enforcement activities, while still complying with the health and safety procedures regulated under Governor Regulation 88/2020 when dealing with external parties. The current measures being taken by KPPU under Governor Regulation 88/2020 contrast with the original PSBB regime in early April 2020, during which KPPU decided to completely suspend many law enforcement activities including merger filing notifications. Please see our previous client update [here](#).

The above KPPU measures are likely to change again in the future, depending on how effective the latest PSBB regime in Jakarta is in fighting the COVID-19 pandemic. However, there are indications that KPPU will continue to rely on online procedures to limit face-to-face meetings between KPPU officials and external parties for the foreseeable future.

Further Information

Should you have any queries on how the above KPPU measures may affect your transactions in Indonesia, please do not hesitate to get in touch with us. We will proactively monitor any developments and keep you updated as more information becomes available.

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If you would like to discuss any aspect of this update, or have any antitrust or business competition issues, please feel free to contact us.



Deny Sidharta
Partner

deny_sidharta@soemath.com



Robert Reid
Foreign Counsel

robert_reid@soemath.com



Verry Iskandar
Senior Associate

verry_iskandar@soemath.com



Adika Ranuh
Associate

adika_ranuh@soemath.com