

Understanding Indonesian Legal System (Corporate Law Focus)



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FRESH INFORMATION FROM INDONESIA SUPREME COURT





MAHKAMAH AGUNG
REPUBLIK INDONESIA

MAHKAMAH AGUNG REPUBLIK INDONESIA
LAPORAN TAHUNAN
TAHUN 2025

JAKARTA, 18 FEBRUARI 2026

"PENGADILAN TERPERCAYA, RAKYAT SEJAHTERA"



CAPAIAN KINERJA MAHKAMAH AGUNG DAN BADAN PERADILAN DI BAWAHNYA BIDANG PENYELESAIAN PERKARA TAHUN 2025



Source: Supreme Court Annual Report 2025

3 million cases all over Indonesia.....
What about at Supreme Court alone?



Cases in 2025 at Supreme Court	38.000	A	source: MA
Supreme Court Judges	50	B	
Team of Reviewer	16	C	B / 3
Working Days a year	240	D	12 x 4 x 5
Holidays and right of Leave	30	E	14 + 16
Effective Working Days	210	F	D - E
Case Per Day All team	181	G	A / F
Case Per Day each team	11	H	G / C

Source: Vice Minister of Law, Prof. Edward O.S. Hiariej (Hukum Online, Dec 2025)

Do you want your case to be reviewed in such a short time?

Limited time and judges → risk of legal malpractice

JUSTICE



USD \$55,8 mio dollar, in rupiah cash
& 51 kg gold (80 billion rupiah)

Zarof Ricar: Head of Research and Development, retired 2022



Supreme Court Cluster of Cases

Criminal Cases / Kamar Pidana

Military Cases / Kamar Militer

Islam Court Cases / Kamar Pengadilan Agama

State Administrative Cases / Kamar PTUN



Civil Cases / Kamar Perdata

(corporate, industrial relation, divorce, bankruptcy, ect)

Tax Court : since 2026

SEQUENCE OF CIVIL CASE (CORPORATE LAW)

1. Registration Law Suit/Complaint by Plaintiff
2. Checking Formalities (2-3 meetings)
3. Mediation (3 meetings)
4. Reading of Law Suit (1 meeting)
5. Statement of Defence (1 meeting)
6. Replik (Reply to Defence), 1 meeting
7. Duplik (Rejoinder), 1 meeting
8. Evidences Evaluation, 2-3 meetings
9. Witnesses (facts & expert) hearing, 2-3 meetings
10. Submitting Conclusions (1 meeting)
11. Decisions (meetings)



SEQUENCE OF CIVIL CASE (CORPORATE LAW)



District Court Level : 16-20 weeks
High Court Level : 8 - 16 weeks
Supreme Court : 8 - 16 weeks

A photograph of a desk setup. In the foreground, a white book with the title 'CORPORATE LAW' in large, bold, black letters is open. Below the title is a black icon of a pair of scales of justice. A pair of black-rimmed glasses with gold-colored temples is resting on the book. To the right of the book is a spiral-bound notebook with a dark green cover and a silver pen with a perforated grip. The background shows a wooden desk surface and a blue folder.

CORPORATE LAW

**INTERNAL
MATTERS**

**EXTERNAL
MATTERS**

Corporate Law – Internal Matters

- ✓ Articles of Association & Deeds
- ✓ Board of Directors & Commissioners roles
- ✓ Temporary suspension of Directors (BoC)
- ✓ Board decisions (BoD)
- ✓ Share transactions & agreements
- ✓ GMS procedures: steps of process is a must
- ✓ Employment law



Investment Considerations

- Understand local partner
- Ensure majority ownership registered
- Avoid nominee structures**
- Ensure valid GMS process (to avoid law suit)
- Minimum capital requirements
- Check KBLI restrictions

Employment & Agreements

Employment:

- ✓ Directors ≠ employees (labor law)
- ✓ No contract = permanent employee

Agreements:

- ✓ Validate authority of signatories
- ✓ Ensure proper permits (IMTA)
- ✓ Clear penalties & clauses

Corporate Law – External Matters



- ✓ **Business licenses**
- ✓ **Work & stay permits**
- ✓ **Vendor & Sales agreements**
- ✓ **Property acquisition (land, building, floor/room)**
- ✓ **Debt exposure risks (PKPU/Bankruptcy)**

Be careful to the evil of Bankruptcy Industry



- ✓ Simple evidence of overdue payable, by 2 vendors
- ✓ Received summon letter, but ignore the payment reminder
- ✓ Fee 2-5% of total Debt / Assets of yours shall be the target



Minister of Law Decree No 20/2025, since 27 May 2025
(replacing Minister of Law Decree No 18/2021)

Key Takeaways

1. Judicial workload creates systemic risk!
2. Prioritize dispute avoidance & settlement.
3. Budgeting legal advisory (retainer) as monthly cost, part of product's price.
4. Avoid lawyers promising guaranteed wins
5. Manage debt exposure carefully, **be aware of Bankruptcy mafia.**
6. Legal interpretation is never absolute, 100 lawyers has 101 opinion, so better avoid litigation.

