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COUNSELLORS AT LAW

Beneficial Owners of Corporations

In February 2025, the Minister of Law of the Republic of Indonesia (the “**MOL**”) issued Regulation of the MOL No. 2 of 2025 regarding the Verification and Supervision of the Beneficial Owners of Corporations (“**RM 2/2025**”), which came into effect on 4 February 2025.

By the enactment of RM 2/2025, the previous regulation, i.e., Regulation of the Minister of Law and Human Rights of the Republic of Indonesia No. 21 of 2019 regarding the Supervision Procedures for the Implementation of the Principle of Knowing Beneficial Owners of Corporation (“**RM 21/2019**”) is no longer valid. RM 21/2019 previously served as the implementing regulation of Presidential Regulation No. 13 of 2018 regarding the Implementation of the Principle of Knowing Beneficial Owners of Corporations in order to Prevent and Eradicate the Crimes of Money Laundering and Terrorism Financing.

Similar to RM 21/2019, the objective of RM 2/2025 is to prevent and eradicate the crimes of money laundering and terrorism financing through the implementation of the principle of knowing beneficial owners of corporations, by requiring every corporation to determine and report its beneficial owners. The following are several key provisions of RM 2/2025:

1. Expanded Scope of Corporations

Previously, RM 21/2019 covered 6 (six) types of corporations that were required to determine their beneficial owners. RM 2/2025 now expands this list by adding civil partnerships (*persekutuan perdata*) as a type of corporation required to determine its beneficial owners. The corporations subject to this obligation now include limited liability companies, foundations, associations, cooperatives, limited partnerships (CVs), firms, and civil partnerships. RM 2/2025 further classifies limited liability companies into capital-based companies (*perseroan persekutuan modal*) and individual companies (*perseroan perorangan*).

2. Beneficial Owners Questionnaire

RM 2/2025 stipulates that corporations and/or notaries must complete the beneficial owners’ questionnaire electronically upon the following events:

- a. Establishment, registration, or approval of the corporation;
- b. Amendments to the corporation’s articles of association;
- c. Changes to corporate data; and/or
- d. Reporting, amendment, or update of beneficial owners’ information.



The following are the questions included in the beneficial owners questionnaire:

- i. Whether there is any individual who unilaterally holds the highest level of influence in controlling the corporation or in making decisions on behalf of the corporation, other than the individuals reported as beneficial owners?
- ii. Whether there is any individual who unilaterally has the authority to appoint or dismiss the management of the corporation, other than the individuals reported as beneficial owners?
- iii. Whether there is any individual who significantly receives benefits, interests, or profits from the corporation, other than the individuals reported as beneficial owners?
- iv. Whether there is any individual who is the true beneficial owner of the corporation's funds or capital, other than the individuals reported as beneficial owners?

3. Risk-Based Verification

RM 2/2025 stipulates that, in implementing the principle of knowing beneficial owners of corporations, corporations must carry out the following:

- a. Periodic updates of beneficial owners' information at least once every year;
- b. Proper administration of beneficial owners' documents; and
- c. Completion of a beneficial owners' questionnaire.

The implementation of the above includes, among others, identification and verification processes. Verification is carried out based on a risk assessment, which includes risks of money laundering and terrorism financing. Verification is conducted by the corporation, notaries, the MOL, and other relevant authorities.

The MOL processes and analyses the beneficial owners' data and questionnaires submitted by corporations based on risk assessment. In the event a corporation is identified as high-risk, the MOL may conduct a data audit.

4. Sanctions

RM 2/2025 authorizes the MOL to impose administrative sanctions on corporations that fail to report their beneficial owners or that submit false beneficial owners' information. Sanctions include warnings, blacklisting, and blocking access to the AHU Online system (the online system under the Directorate General of General Law Administration). The



lifting of such sanctions and/or the unblocking of access may be carried out once the corporation has fulfilled its obligations.

This Client Alert is intended to provide a brief overview only on several provision and may not cover all provisions under the RM 2/2025, thus, cannot be deemed as a legal advice. Please do not hesitate to contact us if you need a more detailed discussion, advice, and/or have specific questions.

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