



Ready, Set, Win! An In-Depth Look at Indonesia's New Free Prize Draw Law

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Indonesia is known for its strict prohibition of gambling. But does it mean, people of Indonesia cannot win exciting prizes – through a random draw? The answer is no. It is possible and this is exactly what “free prize draws” offers. Regulated by the Ministry of Social Affairs (“MOSA”), free prize draws allow people to participate in lucky draws conducted by licensed organizers. It is defined as any chance to win a prize (which can be in a form of goods or money), held free of charge, and tied to other activities, where winners are determined by a random draw or other means.

The MOSA recently updated the rules governing free prize draws by issuing MOSA Regulation No. 3 of 2024 on the Implementation of Free Prize Draws (“MOSA Reg. 3/24”), which partially amends MOSA Regulation No. 1 of 2021 on the same topic.

This Advisory highlights the key provisions of MOSA Reg. 3/24, including changes to the free draw framework and compliance requirements.

1. **Free Prize Draw Criteria:** Under MOSA Reg. 3/24, a free prize draw must meet the several elements.
2. **Direct and Indirect Free Prize Draw:** Under MOSA Reg. 3/24, a free prize draw can be conducted as either a direct or indirect draw.
3. **Procedures for a Free Prize Draw:** A free prize draw requires a draw permit and a promotion permit.
4. **Sanctions for Non-Compliance:** Organizers who fail to follow the rules for free prize draws may face administrative sanctions, ranging from a written warning to suspension or revocation of the permit

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