



Overview of Competition Law Enforcement in Indonesia: From 2025 Enforcement Trends to What Lies Ahead

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Indonesia's competition law regulators ramped up enforcement in 2025. Although turnover-based and profit-based sanctions have been available since 2021, 2025 marked a turning point, with these penalties aggressively applied. The 2025 decisions against Google and the Sany Group show that the Indonesian Competition Commission (*Komisi Pengawasan Persaingan Usaha* or "KPPU/ICC") is now prepared to impose substantial fines. With amendments to the Competition Law expected in 2026, competition law risk has become a key compliance and transactional concern for businesses operating in Indonesia.

1. Overview of Indonesia's Competition Law Framework

Indonesia's competition law is primarily governed by Law No. 5 of 1999 on the Prohibition of Monopolistic Practices and Unfair Business Competition, as amended ("Competition Law"). This law established the basic rules of competition law in Indonesia and empowered the KPPU as the primary enforcement authority.

A major change took place in 2021 when the previous statutory cap on fines was removed. This ended the fixed-cap fine system and signaled a shift toward an economically grounded and deterrence-oriented sanctions framework.

The administrative fines may now be calculated based on:

- a. 50% of the net profit earned by the reported party in the relevant market during the period of the violation; or
- b. 10% of the total sales generated by the reported party in the relevant market for the duration of the violation.

2. Enforcement in Practice (2025): Google and Sany Group Cases

Following the introduction of the turnover-based and profit-based sanctions framework, competition law enforcement in Indonesia has become significantly more punitive. The Google and Sany Group cases illustrate how the enhanced sanctions regime is being applied in practice.

Google Case

In January 2025, KPPU through Decision No. 03/KPPU-I/20 imposed an administrative fine of IDR 202.5 billion on Google in relation to the Google Play billing system. The KPPU decision was subsequently upheld by the Commercial Court in appeal proceedings. The decision underscores Indonesia's increasing alignment with global enforcement trends in the digital sector, mirroring regulatory actions seen in other jurisdictions such as the United States and India, and signals the likelihood of further cases targeting digital platforms.

As of 27 January 2026, Google had not paid the administrative fine, as it has taken the final available legal remedy by filing an appeal with the Supreme Court. No decision has yet been issued.

While the fine imposed remains modest when compared to penalties issued by competition authorities in other jurisdictions, it represents one of the highest administrative fines ever imposed by the KPPU. The case also raises broader questions regarding how the KPPU assesses business models in the digital economy, particularly in light of the substantial investments required to develop, operate, and secure digital platforms.

Sany Group

Also in 2025, the KPPU imposed a record breaking fine of IDR 449 billion on several Sany Group entities. The penalty arose from the structuring of distribution and payment arrangements that discriminated against certain dealers and ultimately forced some out of the market.

The decision attracted public attention not only for the size of the fine, but also due to the violations that KPPU deemed the Sany Group had committed, i.e., vertical integration and market control, as the case did not even involve a hardcore violation. Questions remain as to

whether such a large fine was warranted, given the type of violations. This could indicate a more broadly assertive enforcement approach by the KPPU going forward.

3. Future Directions: New Changes to the Competition Law

The scale of enforcement in 2025 should be seen as the starting point of a longer-term trend, rather than as an exception. Amendments to the Competition Law are currently being discussed in parliament, with input from the KPPU and the Ministry of Trade. While the draft has not yet been made public, proposed changes reportedly include a mandatory pre-merger filing regime, new approaches to market definition in the digital and AI sectors, a leniency program, and expanded investigation powers, including searches and seizures.

One key proposal is to replace the current post-merger notification system with a pre-merger clearance requirement. If adopted, parties would need the KPPU's approval before completing qualifying transactions. This would align Indonesia more closely with international merger control standards and reduce the risk of post-closing remedies, such as forced divestments, which can disrupt completed deals.

If enacted in 2026, as suggested by recent statements from KPPU indicating a possible timeline of February or May 2026, these changes would further strengthen the KPPU's enforcement powers. Combined with the Google and Sany Group cases, they point to a future in which competition law violations carry serious financial, operational, and transactional consequences.

4. Practical Suggestion for Businesses

The Google and Sany Group cases show that competition law enforcement in Indonesia is now a real and immediate business risk. Companies should no longer assume that penalties will be limited or negotiable.

Businesses should regularly review their commercial practices, especially pricing policies, exclusivity arrangements, and distribution structures that could restrict market access or unfairly disadvantage trading partners. Competition law issues should also be considered early in business planning, including product design, platform rules, and contractual arrangements.

Finally, as enforcement powers expand and legal reforms approach, companies should strengthen internal compliance programs and ensure management teams are prepared to engage constructively with regulators. KPPU has historically reviewed the reasons companies purport to be taking certain actions, and so internal documentation of commercial policies takes on a correspondingly important role. In an environment where transactions are

increasingly likely to trigger competition law review, the ability to clearly evidence legitimate business rationales, efficiencies and consumer benefits will be increasingly important in managing competition law risk in Indonesia.

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