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Follow up Regulation on Indonesian Private Sector Human Rights Due Diligence Expected in 2026

Indonesian businesses will be required to conduct human rights due diligence under a new presidential regulation (**New Perpres**), currently being drafted. The New Perpres appears to be driven by concerns over sustainability and competitiveness, in light of challenges presented by international counterparts such as the EU (Corporate Sustainability Due Diligence Directive) and Germany (Supply Chain Act). It is anticipated to be in force by mid-2026.

Human Rights Compliance for Businesses Under Current Regulations – Perpres 60/2023 and implementing regulations

The current regulation on human rights due diligence can be found under Presidential Regulation No. 60 of 2023 regarding a National Strategy on Business and Human Rights (**Perpres 60/2023**). This regulation serves as a guideline for Ministries, Agencies and Regional Governments in the planning, implementation and monitoring of business and human rights, and as a guideline for businesses and other stakeholders.

As a member of the United Nations, Indonesia is expected to follow UN human rights guidelines. In 2011, the UN's Secretary-General's Special Representative on Business and Human Rights issued the Guiding Principles on Business and Human Rights, which require businesses to respect human rights and to prevent, mitigate, and remedy human rights violations arising from their business activities and those of their business partners.

Perpres 60/2023 notes the UNGP's requirement for businesses to respect human rights, including the requirement for businesses to have adequate policies and processes, i.e.:

- to have a policy of respecting human rights.
- to carry out a human rights due diligence process to identify, prevent, mitigate and account for the risk of human rights violations from business activities by businesses and their partners.
- to establish a redress process for any alleged human rights violations resulting from their business activities and those of their partners.

However, Perpres 60/2023 does not impose equivalent obligations and does not specify any penalties for non-compliance with the UNGP standards.

Minister of Human Rights Circular No. M.HA-01.HA.03.02 of 2025 on Assessment of Business and Human Rights Compliance for Businesses (“MOHR Circular 2025”)

Following PR 60/2023, the Ministry of Human Rights issued MOHR Circular 2025 that came into effect on 25 August 2025. This circular *encourages* business entities across Indonesia (including private companies and state owned or regionally owned enterprises) to voluntarily conduct self-assessments through the Business and Human Rights Risk Assessment application, or PRISMA (*Penilaian Risiko Bisnis dan HAM*). The platform is designed to assist businesses in identifying, preventing, and mitigating potential human rights risks and adverse impacts arising from their operations, while also functioning as an initial foundation for the implementation of systematic and effective human rights due diligence.

The self-assessment by businesses through the PRISMA application is carried out over two periods, and there is a subsequent verification process that will be conducted by the Ministry of Human Rights' team. The breakdown of the submission periods and respective verification periods is as follows:

	First Submission Period	Second Submission Period
Submission Period	January - March	July – August
Verification Period	April – June	September - October

252 businesses had participated as at 12 February 2025.

After the verification process is complete, businesses will receive ratings for their self-assessment from the Ministry as follows:

- **“Compliant”** – businesses who receive this rating will be awarded a certificate of appreciation from the Ministry of Human Rights (with a one-year validity period).
- **“Somewhat Compliant”** – businesses who receive this rating will be given two weeks to revise their documents following the issuance of the relevant initial verification improvement notes.
- **“Unsatisfactory”** – this category appears under Director General of Human Rights Services and Compliance Circular Letter PDK-HA.02.01.03-01 of 2025 but no further consequence is specified.

Self-assessment through the PRISMA application is not mandatory.

Conclusion

It is anticipated that the forthcoming New Perpres will set out more detailed and specific requirements for human rights due diligence that must be conducted by private businesses in Indonesia. It is still under discussion, and the Ministry of Human Rights is working closely with businesses and industry associations in preparation, aiming to publish a draft later this year.

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MORE INFORMATION



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