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Corporate Criminal Liability in Indonesia: The New Criminal Code



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On January 2, 2026, three landmark statutes entered into force simultaneously.

Before 2026

Fragmented Framework

Corporate criminal liability existed only through sector-specific laws — Anti-Corruption, Consumer Protection, and Environmental Law — with no unified codified framework.

January 2, 2026 Three statutes now in force simultaneously

Law No. 1 of 2023

New Criminal Code (KUHP)

Corporations expressly recognised as subjects of criminal law within Indonesia's national codified criminal code for the first time.

Law No. 20 of 2025

New Criminal Procedures Code (KUHAP)

Introduces deferred prosecution agreements and plea bargaining for corporate criminal cases.

Law No. 1 of 2026

Harmonization of Criminal Sanctions (*Penyesuaian Pidana*)

Calibrates and harmonizes sanctions across statutes; amends certain provisions of the new KUHP; enables courts to increase fines by reference to annual corporate profits.

KEY SHIFT Corporations are expressly recognized as subjects of criminal law within the national codified criminal code — a first in Indonesian legal history.

What Is a "Corporation" Under the New KUHP?

The KUHP deliberately casts a wide net — capturing virtually every form of business and organizational entity, incorporated or otherwise.

Article 45(1)
Statutory Definition

"A Corporation constitutes a subject of a criminal offense."

Article 45(2) — Covered entities include all of the following, whether or not they are incorporated or unincorporated:

Legal Entities

- Limited liability companies (PT)
- Foundations (*Yayasan*)
- Cooperatives (*Koperasi*)
- State-owned enterprises (*Badan Usaha Milik Negara* or BUMN)
- Region-owned enterprises (Badan Usaha Milik Daerah or BUMD)

Non-Legal Entities

- General partnerships (*Firma*)
- Limited partnerships (CV)
- Similar unincorporated structures
- Associations, incorporated or otherwise

Scope of Coverage

- Both **legal** and **non-legal** entities are expressly covered
- First time corporations are expressly subjects of criminal law under the national codified code
- Registration or incorporation is not a prerequisite for criminal exposure

Whose Acts Bind the Corporation?

Primary Layer

Extended Layer

Concurrent Liability

ARTICLE 46
Management — Functional Position Holders

- Persons with authority to represent, decide, and supervise the corporation
- Any person acting for and on behalf of, or for the benefit of, the corporation within the scope of its business

ARTICLE 47
Persons Outside Organizational Structure

- Instructors (*pemberi perintah*) — those who direct the corporate conduct
- Controllers (*pemegang kendali*) — those who hold actual decision-making power
- Beneficial owners (*pemilik manfaat*) — those who ultimately benefit from the conduct

The corporation and the responsible individuals — functional managers, instructors, controllers, and beneficial owners — may be held **simultaneously and concurrently liable.**

When Is a Corporation Criminally Liable?

Article 48 — Liability attaches when any of the following is established:

(a) The act falls within the corporation's **scope of business** or articles of association

(b) The act **unlawfully benefits** the corporation

(c) The act is **accepted as corporate policy**

(d) The corporation **failed to take preventive steps** to ensure legal compliance

(e) The corporation **allowed** the criminal act to occur (passive acquiescence)

Article 50 — Available Defenses

Defenses (*alasan pembenar* and *alasan pemaaf*) available to individuals may also be raised by the corporation where they relate directly to the alleged offense.

Sanctions Against Corporations

Primary Sanction — Fines (*Pidana Denda*)

Article 79, eight fine categories (as amended by Law No. 1/2026)

Category I	Category IV	Category VI	Category VIII
Rp 1,000,000	Rp 200,000,000	Rp 2,000,000,000	Rp 50,000,000,000

If court deems the fine under Cat VIII is insufficient, court may impose additional fine of up to 10% of previous year's annual profit

Article 56 — Sentencing Factors

- Degree of harm caused
- Functional management involvement
- Duration and frequency of offending
- Track record and cooperation during investigation

Supplementary Sanctions (Article 66)

Additional remedies the court may impose beyond fines

- Revocation of specific rights granted to the corporation
- Forfeiture of assets and receivables derived from the offence
- Public announcement of the court verdict
- Payment of compensation (*ganti rugi*) to victims
- Revocation of business licences (*pencabutan izin*)

Anti-Corruption Law

⚖ Anti-Corruption Law Framework

UU No. 31/1999 as amended by UU No. 20/2001

- The new KUHP incorporates corruption-related offences — **bribery, gratification, and causing state financial losses** — previously governed exclusively by the Anti-Corruption Law.
- Core definitions remain **unchanged under the KUHP**, ensuring continuity of legal interpretation and enforcement standards.
- The sectoral Anti-Corruption Law (enforced by **KPK and the Attorney General**) remains the **primary enforcement tool**; KUHP provisions function as a complementary and harmonized layer.

Article 603 KUHP (as amended by Law No. 1/2026)

Any person who unlawfully enriches themselves, another person, or a corporation at the expense of state finances faces imprisonment of 2 years minimum up to life imprisonment , and fines from Category II to Category VI.

Corporate Criminal Liability Under Other Sectoral Laws

Consumer protection, environmental, and anti-monopoly laws impose independent corporate criminal exposure — now recalibrated by Law No. 1/2026 to category-based fines reaching up to Rp 50 billion for financial-gain offences, alongside the KUHP general framework.

Consumer Protection

UU No. 8 of 1999

Criminal liability on business actors for prohibited trade practices and deceptive claims. Law No. 1/2026 adjustments: fine ceiling **Cat V (Rp 500M)** standard; **Cat VIII (Rp 50B)** for financial-gain offences; mandatory minimum imprisonment deleted; Art. III additional sanctions (dissolution, license revocation, business suspension) now available.

Environmental Law

UU No. 32 of 2009

One of the earliest laws to codify corporate criminal liability for pollution and destruction. Law No. 1/2026 adjustments: fine ceiling **Cat V (Rp 500M)** base; **Cat VIII (Rp 50B)** for financial-gain offences; mandatory minimums deleted; remediation orders and dissolution remain available.

Anti-Monopoly Law

UU No. 5 of 1999 (as amended by Law No. 6 of 2023) — KPPU

Prohibits restrictive agreements, abuse of dominance, and anticompetitive mergers. Law No. 1/2026 adjustments: criminal fine ceiling **Cat VIII (Rp 50B)** — anti-monopoly offences are inherently financial-gain; mandatory minimums deleted; KPPU administrative fines (up to 50% of net profit) remain separate and cumulative.

Labor & Sector-Specific Laws

Mining, financial services, and other regulated sectors

Impose criminal liability on corporations and management for violations of sector-specific obligations. Each regime carries independent penalties alongside general criminal law.

Corporate Criminal Liability Under Other Sectoral Laws (Continued)

Shipping — Law No. 17 of 2008 (as amended by Law No. 66 of 2024)

Art. 333–334: offence deemed committed by a corporation when carried out by a person acting for/on behalf of the corporation; prosecution targets the corporation and/or functionally responsible management.

Sanction (Law No. 1/2026): Cat V (Rp 500M) standard; Cat VIII (Rp 50B) where financial gain evident; mandatory minimums deleted; Art. III additional sanctions: ship arrest/forfeiture, license revocation, operational suspension.

Aviation — Law No. 1 of 2009

Art. 441–442: same attribution standard as shipping; prosecution targets the corporation and/or functionally responsible management.

Sanction (Law No. 1/2026): Cat V (Rp 500M) standard; Cat VIII (Rp 50B) where financial gain evident; mandatory minimums deleted; air operator certificate and business license revocation; dissolution available.

Fisheries — Law No. 31 of 2004 (as amended by Law No. 45 of 2009)

Art. 101: fine tripled (3× individual maximum) when offender is a corporation; trigger offences include unlicensed fishing, prohibited methods, and illegal foreign-vessel operations.

Sanction (Law No. 1/2026): Cat VIII (Rp 50B) — fisheries offences inherently financial-gain in character; mandatory minimums deleted; vessel and gear forfeiture; fishing license revocation; business suspension.

Forestry / P3H — Law No. 18 of 2013

Art. 108 and 112: corporate liability for organized illegal logging, unlicensed mining or plantation in forest areas; classified as extraordinary crimes.

Sanction (Law No. 1/2026): Cat VIII (Rp 50B); timber and equipment forfeiture; license revocation; corporate dissolution available.

Narcotics — Law No. 35 of 2009

Art. 130(1)–(2): criminal sanctions imposed on both the corporation and functionally responsible persons. Note: Arts. 111–126 individual provisions partially superseded by New KUHP, but Art. 130 corporate liability remains fully operative.

Sanction (Law No. 1/2026): Cat VIII (Rp 50B); mandatory minimums deleted; dissolution and asset forfeiture available.

Capital Markets — Law No. 8 of 1995 (as amended by Law No. 4 of 2023)

Art. 104–105: corporations and/or responsible management subject to criminal liability; key trigger offences: insider trading, market manipulation, operating without OJK registration, and material misrepresentation in prospectus documents. Enforcement: OJK (investigation/referral) and Attorney General.

Sanction (Law No. 1/2026): Cat VIII (Rp 50B) — inherently financial-gain offences; OJK administrative sanctions cumulative; license revocation; management directorship ban.

Banking — Law No. 7 of 1992 (as amended by Law No. 10 of 1998)

Art. 49–51: criminal sanctions against the bank as a corporation and/or responsible management for: banking without a license, misuse of client funds, false BI reports, and violation of bank secrecy. Enforcement: OJK and Attorney General.

Sanction (Law No. 1/2026): Cat VIII (Rp 50B) — financial-gain offences; business license revocation by OJK; management directorship ban; asset freeze.

THANK YOU

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