

Compliance Update: Implementation of KBLI 2025

What Indonesia's revised business classification system means for licensing, corporate documents, and the aftermath of the 18 June 2026 conversion deadline

IN BRIEF

There have been recent revisions to Indonesia's business classification, or *Klasifikasi Baku Lapangan Usaha Indonesia* ("KBLI"). Taking effect on 18 December 2025, Central Bureau of Statistics or *Badan Pusat Statistik* ("BPS") Regulation No. 7/2025 requires all business entities to adjust their KBLI to the new KBLI at the latest on 18 June 2026, a deadline that has elapsed. While the absence of KBLI 2025 adjustment does not automatically invalidate the existing business licenses, business entities may face potential risks if they do not adjust their articles of association pursuant to KBLI 2025.

BACKGROUND & KEY REQUIREMENTS

KBLI is Indonesia's standard five-digit business classification issued by BPS. KBLI 2025 follows the UN's ISIC Revision 5 framework, which the UN Statistical Commission recommended in March 2024. The new version expands the classification from 21 categories under KBLI 2020 to 22 categories (A–V), covering 87 main groups, 257 groups, 519 sub-groups, and 1,560 classes. The revised KBLI also recognizes new categories for business activities, including digital platform intermediation, digital content and creative media, carbon capture and renewable energy, and new financial-sector classes such as bullion banking.

STEPS AND PROCEDURES TO COMPLY WITH THE NEW KBLI

The Online Single Submission Risk-Based Approach ("OSS") and Directorate General of General Legal Administration under the Ministry of Law or *Direktorat Jenderal Administrasi Hukum Umum* ("Ditjen AHU") automatically updated their KBLI systems on 18 June 2026. The system update includes the automatic conversion of KBLI 2020 codes to respective KBLI 2025 equivalents. However, the automatic conversion of KBLI may not be available for all companies. Therefore, business entities should consider and work through the following steps in order to determine what is required:

- ◆ **Check whether the current KBLI is covered by automatic conversion:** A KBLI code is eligible for automatic conversion if it is already available in the KBLI 2020. KBLI codes that still refer to KBLI 2017 and KBLI codes where there are differences in the number or description between KBLI 2020 and KBLI 2025 are not eligible for automatic conversion. An Automatic conversion is done through the OSS and Ditjen AHU systems, in accordance with the BPS's conversion table. Therefore, companies should check which KBLI version is currently recorded in the business entity's articles of association, Ditjen AHU records, and OSS system: KBLI 2017, 2020, or 2025. This should then be compared with the business entity's actual business activities to check whether the existing KBLI code is still appropriate.
- ◆ **If the code is eligible for automatic conversion:** For 'one-to-one' or 'many-to-one mappings', the systems have automatically applied the corresponding KBLI 2025 code, as long as the business entity's purpose and objective have not changed. For 'one-to-many mappings', the business entity must select the specific KBLI 2025 code that matches its actual business activity through OSS's data-update feature, and confirm that it remains consistent with the purpose and objective in the articles of association. If the KBLI code does not match the actual business activity, an amendment of its articles of association becomes necessary.
- ◆ **If the code is not eligible for automatic conversion, or the change is substantive:** Business entities are required to amend their articles of association through the Ditjen AHU systems, prior to having the corresponding KBLI 2025 updated through OSS. This will require a shareholders' resolution to be drawn up in a notarial deed, applicable for those business entities that are still using KBLI 2017 as the basis in their articles of association, as well as business entities whose business purpose or activities have actually changed. If a business entity intends to undertake a corporate action that requires shareholders' resolutions, it may be advisable to incorporate the KBLI

2025 adjustment into the same shareholders' resolutions, rather than adopting the KBLI 2025 adjustment in a separate shareholders' resolution at a later stage, in order to minimize potential delay and/or additional costs.

WHY BUSINESS ENTITIES SHOULD COMPLY

Adjusting the KBLI, articles of association, and OSS data provides business entities with legal certainty over their legal standing and day-to-day business. It also keeps licensing processes moving smoothly, since accurate KBLI codes prevent delays or rejections when applying for sectoral permits or supporting licenses. Moreover, it streamlines the process for companies seeking financing or preparing for a transaction. Clean and consistent KBLI data shortens legal due diligence timelines and/or issues for investors, lenders, and counterparties.

CONSEQUENCES IF BUSINESS ENTITIES DO NOT COMPLY

Noting that the time for conversion of KBLI has elapsed, there are consequences for businesses that do not conform to KBLI 2025. Although KBLI 2025 does not automatically revoke the existing business licenses, business entities that do not update their KBLI data may still face practical risks. If a business entity's KBLI code is flagged as not yet adjusted, the OSS system may prevent it from applying for new licenses, updating business information, expanding its activities, renewing licenses, or obtaining supporting licenses or *Perizinan Berusaha untuk Menunjang Kegiatan Usaha (PB UMKU)* until the mismatch is resolved.

An incorrect KBLI code may also cause problems with the existing licenses/approvals that connect with the KBLI code, such as the Business Identification Number or *Nomor Induk Berusaha (NIB)*. It may even complicate routine banking matters, such as opening a corporate account or applying for a business loan. For companies that are subject to investment reporting requirements, the KBLI code is also used in the Investment Activity Report or *Laporan Kegiatan Penanaman Modal (LKPM)*, meaning that an unresolved mismatch may affect their reporting, which could lead to the provision of misleading information. Beyond these operational risks, subject to substantive and sticky legal analysis and arguments, a business activity conducted that falls outside the purposes and objectives stated in the articles of association may be considered *ultra vires* (acting beyond the authorized scope of business).

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