

KPPU Announces Relaxing of Competition Law Enforcement



In light of the current health crisis and as detailed in our previous client update ([click here to read](#)), the Chairman of the Indonesia Competition Commission (“**KPPU**”) has expressed his support for businesses to collaborate. Subsequently, on 9 November 2020, the KPPU published KPPU Regulation No. 3 of 2020 on the Relaxation of Legal Enforcement of Monopoly Practices and Unfair Business Competition and Monitoring of Partnership Implementation to Support the National Economic Recovery to specify the criteria and form of relaxation in its enforcement.

Under the new regulation, businesses can now benefit from the following relaxation:

1. procurement using State Budget or Regional Budget can be done to:
 - (i) fulfil medical needs or provide supporting facilities to handle Covid-19, e.g. the procurement of medicine, vaccine, construction of emergency hospitals, the appointment of hotels or buildings for isolation, and other medical needs and supporting facilities to handle Covid-19; and
 - (ii) distribute social assistance and social safety net from the government to the public;
2. approval of an agreement, activity, and/or the use of dominant position to handle Covid-19 and/or to increase the economic ability of a business (“**Approval**”);
3. extension of the deadline to submit the mandatory post-closing notification to the KPPU from 30 to 60 business days as of the effective date; and
4. extension of the period of written warning in the partnership monitoring procedure from 14 to 30 business days.

Procedure and Timeline

To obtain Approval, a company must submit a written request to the KPPU either electronically or physically. Within 14 business days from receipt of the request, the KPPU must issue a decree to approve, conditionally approve, or reject the request. If no such decree is issued within 14 days, the KPPU will be deemed to have issued an approval.

Key Takeaways

The regulation also provides that in the event that there are differences between the new regulation and other KPPU regulations, the more favourable provisions will apply, provided that the matter is still ongoing and have not entered into the preliminary examination stage.

For now, while this regulation is certainly business friendly and will help alleviate burdens for businesses during this time, its detailed application remains to be seen and we recommend that businesses assess the potential risks before utilising the new regulation.

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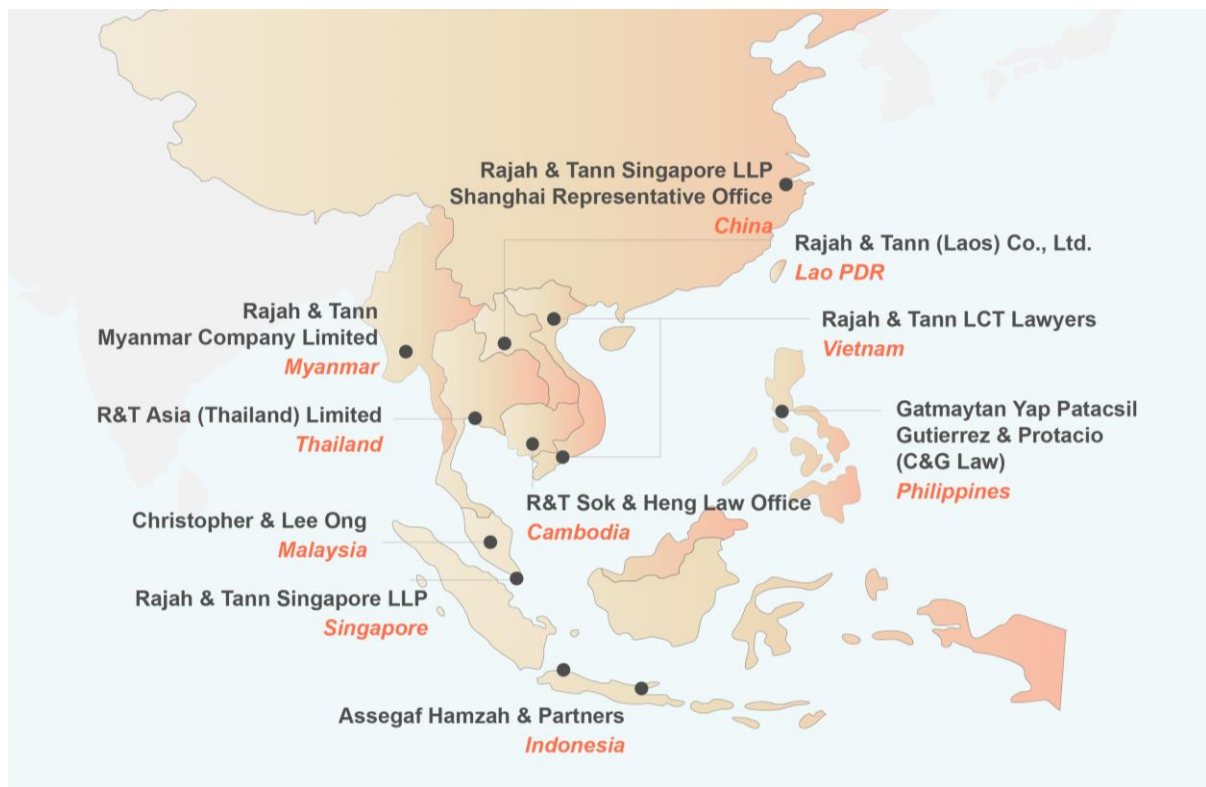
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