

Progress on beneficial ownership transparency in Indonesia



BACKGROUND

In 2018, the government of Indonesia issued a presidential regulation and decree requiring companies to report their beneficial owners to the Ministry of Law and Human Right, through the company register and in connection with their license application procedures. Beneficial ownership disclosure is also one of the priority agenda of National Strategy on Corruption Prevention since 2018.

EITI Indonesia, under the Coordinating Ministry of Economic Affairs, led outreach activities with extractive companies and piloted data collection for the 2018 EITI Report. The Ministry of Law and Human Rights revised its Legal Entity Administration System to include beneficial ownership information in accordance with the presidential decree. Currently the register has certain restrictions on public access to beneficial ownership information.

As part of its efforts to pursue its commitment to improving beneficial ownership transparency, the Indonesian government represented by the Ministry of Energy and Mineral Resources (ESDM), confirmed its interest to participate in the Opening Extractives (OE) programme in June 2021 and has been part of Opening Extractives Programme activities such as learning and exchange between extractive companies in Indonesia and the Philippines and training of government officials in Indonesia on BO data verification.

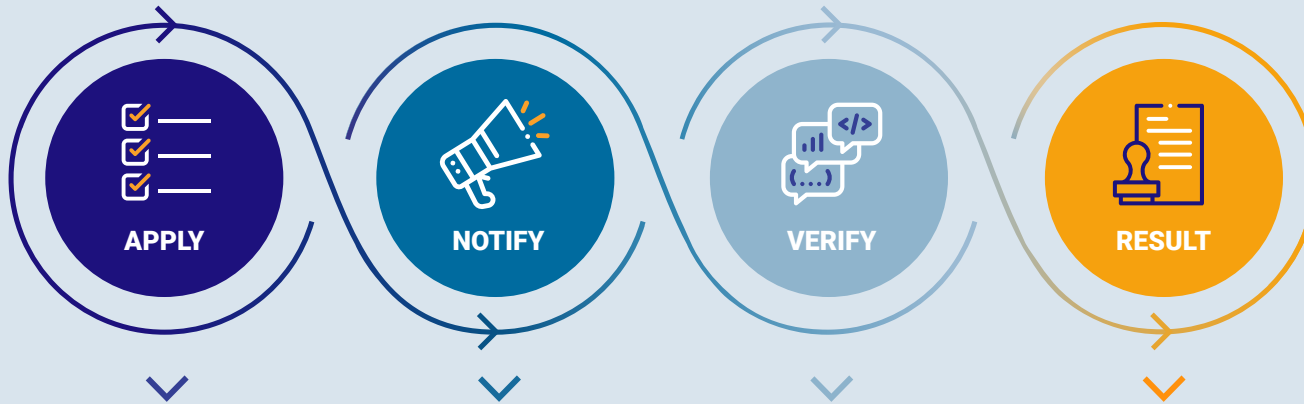
The ESDM's primary objectives in 2023 are to (i) strengthen the collection and use of BO data within the extractive licenses; (ii) strengthen compliance and verification of BO data in the extractive sector; (iii) increased participation of extractive companies in disclosing BO data.

The journey of beneficial ownership transparency in Indonesia



Licensing process in Indonesia

KEY STEPS ON THE LICENSING PROCESS IN INDONESIA



Business/Investor submits the licensing application and uploads required documents through OSS. The system is managed by the Ministry of Investment.

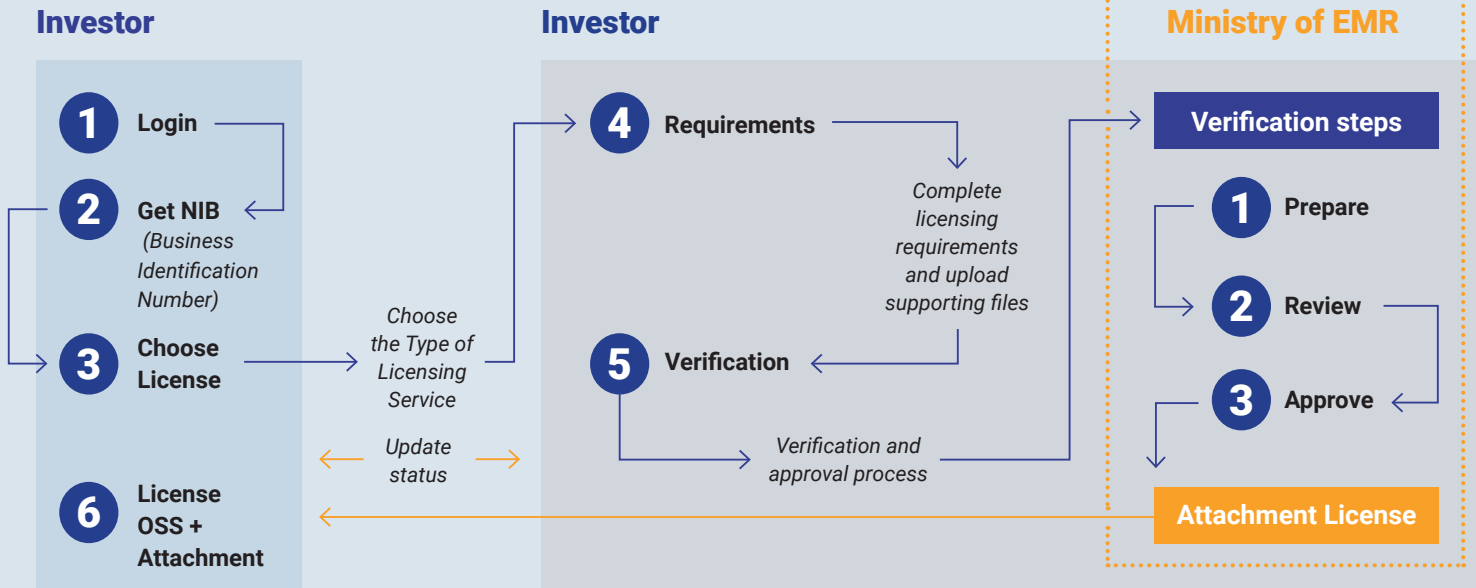
The system sends notification to MEMR for the extractive license application.

MEMR conducts verification steps including the BO data of the corporation.

MEMR sends notification of the approval status of application to OSS.

Approval status	Approved:	Pending:	Rejected:
	The OSS system issues the Business Licence on behalf of the Government of Indonesia	The OSS system conveys a request to make up for the shortfall	OSS system conveys refusal

LICENSING SERVICES FLOW



Key implementers



Ministry of Energy and Mineral Resources



EITI Indonesia



Ministry of Law and Human Rights



Ministry of Investment



National Strategy on Corruption Prevention (Stranas PK)