

KPPU Requires Additional Documents for M&A Consultations

Head of the Commission for the Supervision of Business Competition (“KPPU”) has issued [Regulation No. 2 of 2013](#) on Third Amendment to [Head of KPPU Regulation No. 13 of 2010](#) (“**2010 Regulation**”) on the Guidelines to Conduct Mergers and Acquisitions (“**M&A**”) that Might Result in Monopolistic Practices and Unfair Business Competition (“**Third Amendment**”).

Similar with previous KPPU regulations regarding the same matter, the Third Amendment only replaces the 2010 Regulation’s Appendix. The 2010 Regulation was first amended by [Head of KPPU Regulation No. 11 of 2011](#) and was amended for the second time by [Head of KPPU Regulation No. 3 of 2012](#) (“**Second Amendment**”).

For a discussion on the 2010 Regulation and the Second Amendment see [ILD No. 179](#) and [ILD No. 277](#).

The Third Amendment sets out additional documents that must be submitted to parties of a corporate restructuring (merger, acquisition, or consolidation) transaction to KPPU. There are no other major changes made by the Third Amendment besides the type of documents that need to be submitted to KPPU for consultation purposes.

The Third Amendment concerns corporate restructuring transactions that result in the following accumulated assets (Chapter IV (B) (1) (a), Third Amendment):

- a. IDR 20 trillion in accumulated assets, for banking sector;
- b. IDR 2.5 trillion in accumulated assets, for other businesses; and

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❖ Document(s)

- [KPPU Regulation No. 2 of 2013](#)
(PRLB_KPPU_2_2013.pdf – 309 Kb)

❖ Recently Published ILBs

- [Technical Requirements for Managing Household Garbage \(Issue 2156 - 5/15/2013\)](#)
- [BKPM Long-Awaited Investment Regulation Finally Issued \(Issue 2155 - 5/14/2013\)](#)
- [Broadcasting without Permit Prohibited \(Issue 2154 - 5/13/2013\)](#)
- [New Regulation on Pension Age for Civil Servants \(Issue 2153 - 5/10/2013\)](#)
- [Government Finally Issues Implementing Regulation for Immigration Law \(Issue 2152 – 5/8/2013\)](#)

- c. IDR 5 trillion in accumulated sales revenues, for other businesses.

Submitted Documents

The main documents that must be submitted by the concerned parties are: “form M1” for mergers, “form K1” for consolidations, and “form A1” for takeovers. In addition, documents mentioned in the M1, K1, or A1 forms are also to be submitted to KPPU (Chapter IV (B) (3) (c), Third Amendment).

The new types of documents introduced by the Third Amendment are:

- a. Business plan, which must include a three-year policy plan and mapping of the industry’s

- competitors (Chapter IV (B) (3) (g), Third Amendment); and
- b. Report on the industry market structure, which must include data of the business and their competition (Chapter IV (B) (3) (h), Third Amendment).

It should be noted that the abovementioned documents were not included in the Second Amendment. Instead, the Second Amendment only stated that KPPU has the authority to request additional documents without defining further what those documents are (Chapter IV (B) (3) (f), Second Amendment).

It is likely that if the business plan report and the industry market structure report are not submitted at the consultation phase, KPPU will not assess the corporate restructuring plan.

The Third Amendment has been in force since 5 April 2013.

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to subscribe, call 62-21-83701827 or fax to 62-21 83701826 or email layanan@hukumonline.com

Editor-In-Chief: Davidson Samosir | Editor: Pirhot Nababan | Foreign Editor: Julia Tchezganova | Writer: Mahinda Arkyasa, Andin Aditya Rahman
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