

Newsletter

June 2, 2026

2025 KBLI in Focus: Key Changes and Practical Implications for Business Actors



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Introduction

The Indonesian Standard Classification of Business Fields (*Klasifikasi Baku Lapangan Usaha Indonesia*, "**KBLI**"), which classifies business activities, is updated every 5 years by the Central Statistics Agency ("**BPS**").

Recently, the KBLI was updated from the previous 2020 classification ("**2020 KBLI**") to the 2025 classification ("**2025 KBLI**"), following the issuance of BPS Regulation No. 7 of 2025 on the Indonesian Standard Classification of Business Fields. The 2025 KBLI aligns with the International Standard Industrial Classification of All Economic Activities (ISIC) Revision 5, published by the United Nations Statistics Division in 2024, with the aim of ensuring that Indonesia's classification system remains consistent with international standards. The regulation requires the 2025 KBLI to be fully implemented by the relevant authorities within 6 months of its enactment (no later than 18 June 2026).

The information provided in this bulletin is summary in nature and does not purport to be comprehensive or to render legal advice.

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To support this transition and ensure alignment among the relevant authorities, (i) the Head of BPS, as the authority responsible for administering the KBLI, together with (ii) the Minister of Investment and Downstream Industry/Investment Coordinating Board (“**BKPM**”), as the authority overseeing investment and business licensing, and (iii) the Minister of Law (“**MOL**”), as the authority administering company incorporation and data, have issued a Joint Circular Letter providing further guidance for business actors on implementing the 2025 KBLI in relation to the risk-based business licensing. In short, while existing business licenses remain valid, companies will need to review whether their current KBLI codes still align with the 2025 classification, anticipate any potential reclassification of their business activities, and prepare for adjustments in their licensing data and corporate documents during the transition period. The discussion below is intended to help business actors identifying which actions they may need to take – and which they can safely defer.

1. Key Updates of the 2025 KBLI

1.1. General Updates in the 2025 KBLI

In light of evolving economic and market dynamics—including the emergence of new business activities not previously captured under the 2020 KBLI, such as digitalization trends and new business models (e.g., factory less goods producers or *maklun* arrangements)—the 2025 KBLI was issued to ensure that the classification system remains accurate, relevant, and responsive to business developments.

As a result, the key changes in the 2025 KBLI primarily aim to refine and clarify the scope of business activities under each KBLI code. These updates are implemented through revisions to KBLI titles and descriptions, the addition of illustrative examples in KBLI descriptions, and improvements to the overall categorization and structure of the classification system.

There are 3 approaches to the changes introduced by the 2025 KBLI:

- i. one-to-many (i.e., one KBLI code is split into several KBLI codes),
- ii. many-to-one (i.e., multiple KBLI codes are merged into a single KBLI code), and
- iii. one-to-one (i.e., recoding of an existing KBLI code).

Depending on the approach, these changes may increase or reduce the number of KBLI codes recorded under a business actor’s registration, or simply renumber the existing KBLI code. Structurally, the 2025 KBLI has expanded from 21 to 22 categories (with the addition of Category V for International Organizations and Other Extra-Territorial Bodies), while consolidating the total number of 5-digit KBLI codes from 1,789 to 1,559, reflecting the prevalence of the many-to-one (code merging) approach.

1.2. Sector-specific Changes

Most Impact Sectors

The most significant KBLI changes occur in Category C (Industry), Category G (Trade), and Category A (Agriculture, Forestry, and Fisheries). These changes mainly relate to KBLI descriptions and titles, followed by many-to-one consolidations (code merging), and then one-to-one recoding (numerical recoding).

For example, under 2020 KBLI, Category G (Trade) includes KBLI 45 for the trade, repair, and maintenance of cars and motorcycles, in addition to KBLI 46 for wholesale trade and KBLI 47 for retail trade, both of which exclude cars and motorcycles.

Under the 2025 KBLI, Category G (Trade) has been streamlined so that it now consists only of KBLI 46 for wholesale trade and KBLI 47 for retail trade, which now includes trade in cars and motorcycles. Meanwhile, activities relating to the repair and maintenance of cars and motorcycles have been reclassified under KBLI 95 in Category T (Other Services Activities), which covers the repair and maintenance of motor vehicles, motorcycles and other items.

Specific Classification of Carbon-related Business Activities

In line with Indonesia's efforts to achieve its Nationally Determined Contribution (NDC) targets under the Paris Agreement through the Carbon Economic Value (NEK) framework, the 2025 KBLI introduces clearer classifications for carbon-related business activities.

Under Category A (Agriculture, Forestry, and Fishery), the 2025 KBLI recognizes natural carbon absorption and storage (carbon sequestration) activities as part of certain primary business activities, including KBLI 02101 on forest management and aquaculture-related classifications under KBLI 03213, 03223, and 03233. These activities may generate additional economic value through the issuance or commercialization of carbon credits or emissions reduction certificates.

The 2025 KBLI also classifies carbon capture and storage (CCS) activities under Category E (Water Supply, Waste Management, and Remediation Activities) through KBLI 39001 (Carbon Capture Activities) and KBLI 39002 (Carbon Storage Activities), separating them from the broader KBLI 39000 (Remediation and Other Waste and Refuse Management Activities) under the 2020 KBLI and recognizing CCS as a standalone environmental and emissions-reduction activity.

In addition, to accommodate the growth of the green economy and the recognition of carbon units as financial assets, the 2025 KBLI introduces specific classifications under Category K (Financial and Insurance Activities). KBLI 64995 covers trading in carbon units on own account, while KBLI 66129 covers brokerage or intermediary services for carbon transactions, replacing the previous broader classification under KBLI 64999 (Other Financial Service Activities Not Elsewhere Classified, Except Insurance and Pension Funds) in the 2020 KBLI.

In addition, supporting services relating to the monitoring, reporting, and verification (MRV) of carbon projects, such as the verification of emissions reports and the validation of carbon economic value, are now specifically covered under KBLI 71203 (Technical Verification and Validation Services) in Category M (Professional, Scientific, and Technical Activities).

Split of KBLI Codes for Intermediary Services, Including Those Provided Through Digital Platforms

Intermediary services, whether provided through digital or non-digital channels, refer to services that facilitate the ordering and/or delivery of goods or services between sellers and buyers for a commission or service fee, without the intermediary taking ownership of the goods or providing the underlying services.

Intermediary services have grown rapidly with the rise of digital platforms, online applications, and various business models built on facilitating cross-sector transactions, such as marketplaces, digital advertising, and on-demand online services.

Under the 2020 KBLI, digital intermediary services were generally classified under a single umbrella code, namely KBLI 63122 under Category J (Information and Communication).

Under the 2025 KBLI, this approach has been refined so that intermediary services are now classified under the relevant KBLI code based on the sector served, and are no longer limited to Category J.

For example, intermediary services relating to retail trade in physical goods fall under Category G (Trade), those relating to accommodation fall under Category I (Accommodation and Food Service Activities), those relating to postal and courier services fall under Category H (Transportation and Storage), and those relating to telecommunications fall under Category K (Telecommunications, Computer Programming, Consultancy, Computing Infrastructure and Other Information Services), which was split out from the former Category J in the 2020 KBLI.

Recognition of Factory less Goods Producers (FGPs) or Maklun Arrangements under Category C (Industry)

The 2025 KBLI now recognizes factory less goods producers (FGPs) or *maklun* arrangements, under Category C (Industry). Previously classified under Category G (Trade), FGP activities have been reclassified to reflect their involvement in product development and production.

Notably, the 2025 KBLI clarifies that FGPs are classified under Category C (Industry) only if they control the production process and provide critical intellectual property (“IP”) inputs, while entities that fully outsource production without controlling it or providing critical IP remain under Category G (Trade). For example, a skincare company that outsources production to a third-party manufacturer, but owns the IP in the skincare product and controls the production process, would be classified as an FGP under Category C.

2. Implementation of the 2025 KBLI under the Joint Circular Letter

2.1 Conversion to the 2025 KBLI

Based on the Joint Circular Letter, alignment of the 2020 KBLI with the 2025 KBLI will be carried out automatically by the MOL through the General Legal Administration system and by the BKPM through the OSS system. Whether an amendment to the articles of association (AOA) is required depends on the following circumstances, as set out in the Joint Circular Letter:

- i. AOA amendment not required: where there is no change to the existing business activities, even if the numerical KBLI code changes.
- ii. AOA amendment required: where there is a change to the existing business activities (e.g., the addition of a new line of business).

However, in our view, as a practical measure, a company should nevertheless consider amending its AOA to reflect any changes arising from the 2025 KBLI alignment, particularly given the requirement to record KBLI codes in the AOA. This would help minimize the risk of administrative discrepancies between the company's constitutional documents and the codes recorded in government systems, which may otherwise surface during licensing, due diligence, or other transactional processes.

In addition, if a company still uses a pre-2020 KBLI code (e.g., a 2017 KBLI code), the systems will not be able to automatically convert it to the 2025 KBLI, and BKPM will instead notify the company that it must amend its AOA.

A similar issue arises for companies whose AOA does not yet record any KBLI code and instead only sets out a general description of the company's purposes and objectives. In such cases, the company should amend its AOA as necessary in order to comply with the requirement to include its KBLI code or codes.

That said, any amendment to align with the 2025 KBLI can only be made once the 2025 KBLI has been implemented in practice by the relevant authorities. Please see Section 2.4 below for the current status of the implementation of the 2025 KBLI.

It also remains unclear whether the authorities will notify companies of the results of the automatic alignment and/or provide them with an opportunity to verify the 2025 KBLI alignment before it takes effect.

2.2. Impact on Existing Business Licenses and Compliance with the Minimum Investment Requirement

Based on the Joint Circular Letter, any business licenses issued, verified, or approved prior to the implementation of the 2025 KBLI will remain valid. This includes:

- i. fundamental requirements (i.e., spatial utilization permits (KKPR/PKKPR), environmental permits, and construction and building safety permits (PBG/SLF),
- ii. business licenses (e.g., standard certificate), and
- iii. supporting business licenses (e.g., distributor registration certificate).

This is in line with the current risk-based business licensing framework under Government Regulation No. 28 of 2025 and BKPM Regulation No. 5 of 2025 (the "**Risk-Based Business Licensing Framework**"), which recognizes the continued validity of business licenses issued, verified, or approved before the current framework came into effect.

In addition, the Risk-Based Business Licensing Framework requires foreign-investment companies to satisfy the minimum investment value requirement of more than IDR 10 billion per 5-digit KBLI code, excluding land and buildings. As such, the one-to-many approach under the 2025 KBLI, where a single KBLI code is split into multiple KBLI codes, raises the question of whether foreign-investment companies may become subject to additional minimum investment value requirements for each new 5-digit KBLI code. This fragmentation could substantially increase total investment value requirements and potentially trigger additional licensing obligations that did not previously apply. Conversely, a many-to-one approach, where multiple KBLI codes are consolidated into a single KBLI code may reduce the overall number of applicable KBLI codes, and in turn,

lower the required investment value. As the Joint Circular Letter does not address this issue, the position remains unclear. We will continue to monitor developments and provide updates as further regulatory guidance becomes available.

2.3. Determining the Applicable NSPK under the 2025 KBLI

In general, business licenses in Indonesia are issued based on the corresponding KBLI codes, and each KBLI code comes with its own set of rules that a company must comply with to obtain and maintain the license. These rules are known as the norms, standards, procedures, and criteria (*norma, standar, prosedur, dan kriteria* or "**NSPK**"). At present, the NSPK applicable to each KBLI code are set out in Government Regulation No. 28 of 2025, which still refers to the 2020 KBLI.

This creates a practical mismatch: the NSPK still refer to the 2020 KBLI codes, but the 2025 KBLI has changed some of those codes (including their numbering). The challenge is most acute where a single 2020 KBLI code has been split into several different codes under the 2025 KBLI, making it unclear which NSPK should apply to each converted code.

To address this, the Joint Circular Letter clarifies that, once the 2025 KBLI takes effect, the applicable NSPK should be identified by looking at the actual scope of the company's business activity (*ruang lingkup usaha*), rather than relying purely on the numerical KBLI code. In practice, this means companies should focus on the substance of their business activities, rather than the KBLI code recorded in their documents or systems alone.

2.4. Current Implementation Status of the 2025 KBLI

As of the date of this newsletter, the 2025 KBLI has not yet been implemented in the OSS system. According to the Joint Circular Letter, the MOL will continue to process the establishment of new companies, and the OSS system managed by BKPM will continue to process licensing matters, based on the 2020 KBLI until the 2025 KBLI has been implemented in practice.

In the meantime, businesses may refer to 2020 KBLI-2025 KBLI Conversion Table issued by BPS in April 2026 to assess how their existing KBLI classifications may be mapped or updated under the 2025 KBLI.

Key Takeaways:

- 2025 KBLI is required to be fully implemented no later than 18 June 2026. Until the 2025 KBLI is implemented in practice, the MOL and BKPM through their respective administration and OSS systems will continue to process company establishment and licensing matters based on the 2020 KBLI.
- The alignment of the 2020 KBLI with 2025 KBLI will generally be carried out automatically by the MOL and BKPM through their respective administration and OSS systems.
- An amendment to the articles of association is not required if there is no change to the company's existing business activities, even if the numbering of the KBLI code changes. However, companies may wish to consider amending their AOA as a practical measure to minimize the risk of administrative discrepancies in future licensing or transactional processes.
- An amendment to the articles of association is required if the company changes its business activities or adds new ones, or if its articles of association do not yet properly record the relevant KBLI code or codes.
- Business actors should therefore use this transition period to review their existing KBLI codes, AOA, and licensing position, and prepare any necessary amendments or compliance updates once the 2025 KBLI is implemented in practice. In addition, as the Joint Circular Letter does not address whether the one-to-many split of KBLI codes may trigger additional minimum investment requirements for foreign-investment companies, companies should monitor for further regulatory guidance on this point.

For further information or assistance, please contact the authors.