

Private electronic system providers (ESPs) registration deadline extended, Indonesian Ministry of Communication and Informatics announced

15 June 2021

On 31 May 2021 the Ministry of Communication and Informatics (MOCI) published the MOCI Regulation No. 10 of 2021 on the Amendment of MOCI Regulation No. 5 of 2020, which was promulgated 10 days earlier on 21 May 2021 (MOCI Reg 10/2021).

This followed a press conference by MOCI on 24 May 2021, announcing the deadline extension. MOCI Reg 2021 extended the deadline for private sector electronic system providers (Private ESPs) to register on the centralized company registration portal, Online Single Submission (OSS), which was initially set at 24 May 2021 to 2 January 2022 (i.e., six months from the launch of OSS with the Risk-Based Approach (RBA) on 2 July 2021). The OSS with RBA is currently being developed by the Ministry of Investment/BKPM.

The MOCI Regulation No. 5 of 2020 (MOCI Reg 5/2020) issued on 24 November 2020 has caused a stir in the internet industry as it requires all private ESPs to register with the MOCI, be it domestic or foreign, and access blocking will be implemented to those who have not registered by the deadline. Initially the deadline was set at six months after the enactment of MOCI Reg 5/2020 – i.e., on 24 May 2020, but the infrastructure, i.e., the OSS with RBA, is not yet ready.

Previously, the OSS with RBA was scheduled for launch on 2 June 2021. However, on 31 May 2021, the Ministry of Investment/BKPM issued Circular Letter No.14 of 2021 on Transition of Implementation of Business Licensing to Implementation of Risk-based Business Licensing through the OSS System, announcing that the official launch of the OSS with RBA is scheduled for 2 July 2021.

Through the Law No. 11 of 2020 on Job Creation – more famously known as the Omnibus Law – the government of Indonesia is hoping to cut bureaucracy in the licensing process for businesses in Indonesia and attract investments, which would in turn create job opportunities.

The red tape culture in Indonesia has been a source of agony for foreign and domestic investors in opening up and running their businesses in Indonesia. However, business potential is huge, especially in the digital sector, which has grown 11 percent in 2020 compared to 2019. The digital sector also thrives in the archipelagic country of Indonesia, where sellers can reach a wider pool of customers and buyers can find products they want (and all the possible alternatives and substitutes) from the convenience of their palm, as marketplaces bend the geographical limits of brick-and-mortar businesses.

The government hopes to come out on top of all these dynamics and businesses need to do their part and make sure they stay resilient and comply with these regulatory challenges too.

You can find our previous client alert on the issuance of MOCI Regulation No.5 [here](#).

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