

## **UPDATE ON KBLI 2025 AND ITS IMPACT ON BUSINESS LICENSING COMPLIANCE IN INDONESIA**

The Indonesian Standard Industrial Classification (Klasifikasi Baku Lapangan Usaha Indonesia – KBLI) was originally introduced as a statistical framework for classifying business activities. However, its role has expanded significantly beyond that purpose. In practice, KBLI now serves as a key administrative and legal reference for the establishment of business entities, the determination of permitted business activities, and the implementation of risk-based business licensing through the Online Single Submission (OSS) system.

As KBLI becomes increasingly embedded in Indonesia's licensing framework, changes in business classification may affect the type of license required, the applicable risk level, and the accuracy of corporate records. Against this background, the introduction of KBLI 2025 is a development that warrants close attention from business actors.

Pursuant to Regulation of the Badan Pusat Statistik (BPS) No. 7 of 2025 regarding the Indonesian Standard Industrial Classification, Badan Pusat Statistik (BPS), Indonesia's national statistics agency, formally introduced KBLI 2025 as an update to KBLI 2020, with reference to the International Standard Industrial Classification (ISIC) Revision 5. This update reorganizes the existing classification structure and introduces several new categories, particularly in relation to digital and technology-driven business activities.

### **I. What Businesses Need to Know About the Implementation of KBLI 2025**

The implementation of KBLI 2025 carries important legal and administrative implications, particularly within Indonesia's risk-based business licensing regime under Government Regulation No. 28 Tahun 2025 and its implementing regulations. Business actors are required to align their KBLI codes in the OSS system within six months from the enactment of Peraturan BPS Nomor 7 Tahun 2025, to ensure that their registered business activities remain consistent with the updated classification.

At the same time, the technical roll-out of KBLI 2025 is being carried out in stages. The Government has indicated that existing KBLI codes will be converted automatically through the OSS system as part of an internal system update. Accordingly, businesses are not expected to face immediate disruption to their existing licences during this period.

In addition, the Badan Koordinasi Penanaman Modal (BKPM), Indonesia's investment authority, has clarified that the implementation of KBLI 2025 does not automatically invalidate business licences issued under KBLI 2020, provided that the actual business activities remain in line with the licences granted. This clarification offers a degree of certainty for businesses navigating the implementation phase.

That said, the need to update KBLI information remains relevant, particularly when companies undertake corporate actions such as amendments to their articles of

association, applications for new licences, business expansions, or other licensing-related changes.

## **II. KBLI 2025 vs. KBLI 2020**

Compared to KBLI 2020, KBLI 2025 adopts a more granular approach to business classification. Several activities that were previously grouped under broad categories are now separated into more specific classifications, better reflecting their respective characteristics and risk profiles. This development marks a shift in the function of KBLI from a primarily statistical reference to an administrative tool that directly affects licensing and compliance requirements.

One notable change can be seen in the information and communication sector. Activities related to publishing and content production are now distinguished from telecommunications, computer programming, technology consultancy, and computing infrastructure services. This separation has direct implications for the applicable licensing framework for each activity.

KBLI 2025 also recognises a number of emerging business activities, including digital platform intermediation services, Factoryless Goods Producers (FGP), carbon capture and storage, podcast and digital financial activities such as crypto-asset trading and digital exchange operations.

It is also worth noting that, in certain cases, KBLI codes under the new classification may appear numerically similar to those under KBLI 2020. However, the scope of activities covered by such codes may differ. Businesses are therefore expected to review the substance of their activities, rather than relying solely on similarities in code numbers.

## **III. Practical Implications for Businesses**

In day-to-day operations, KBLI-related issues rarely arise. Challenges more commonly surface during key administrative processes, such as amendments to articles of association, applications for new or additional licences, regulatory reviews, or due diligence exercises conducted by investors or lenders.

At these stages, any mismatch between actual business activities and registered KBLI codes may result in processing delays, additional compliance steps, and increased time and cost.

KBLI alignment is also relevant when updating corporate data through the Sistem Administrasi Badan Hukum (SABH), Indonesia's legal entity administration system. As such, accurate business classification forms part of a company's broader administrative compliance.

Notwithstanding the introduction of KBLI 2025, its implementation has not yet been reflected in Government Regulation No. 28 of 2025, the SABH system, or other prevailing business licensing regulations. As such, business actors currently continue to rely on the KBLI classifications that remain formally recognized under the existing regulatory and administrative framework which is KBLI 2020.

#### **IV. Assessment of Licensing Compliance Risks Arising from KBLI 2025**

Under Government Regulation No. 28 of 2025, compliance with business licensing obligations is subject to administrative enforcement. Article 355 paragraphs (1) and (2) provide that business actors who fail to comply with licensing requirements may be subject to administrative sanctions, including written warnings, temporary suspension of business activities, administrative fines, and revocation of licences.

While the regulation does not impose sanctions solely for the failure to update KBLI classifications, misalignment between registered KBLI codes and actual business activities may be assessed as non-compliance with licensing obligations, particularly in the context of regulatory supervision and licence evaluation.

Given that KBLI 2025 has not yet been formally implemented across the relevant licensing and corporate administration systems, companies are not currently required to adopt the new classification. However, businesses should remain aware of potential future regulatory adjustments and consider reviewing their business classifications once formal implementation measures are introduced.

#### **V. Key Takeaways**

KBLI 2025 has been issued but has not yet been implemented in Government Regulation No. 28 of 2025, the SABH system, or other business licensing regulations. Accordingly, existing licences remain valid, and businesses are not currently required to adopt KBLI 2025.

That said, inconsistencies between registered KBLI classifications and actual business activities may still cause administrative issues in licensing processes, corporate actions, regulatory reviews, and due diligence.

Businesses are therefore advised to ensure that their registered KBLI classifications accurately reflect their business activities and to monitor future regulatory developments related to the formal implementation of KBLI 2025.