

DITJEN AHU INTRODUCES INACTIVE CORPORATION STATUS AND STRENGTHENS BENEFICIAL OWNERSHIP REPORTING OBLIGATIONS

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01. Introduction

On 11 February 2026, the Directorate General of General Legal Administration of the Ministry of Law of the Republic of Indonesia (*Direktorat Jenderal Administrasi Hukum Umum Kementerian Hukum Republik Indonesia* - “**Ditjen AHU**”) issued Circular Letter No. AHU-AH.01-36 of 2026 concerning the Administrative Designation of Inactive Corporations and Beneficial Ownership Reporting and Verification Obligations (“**Circular Letter**”).

Through this Circular Letter, Ditjen AHU introduced a mechanism for the administrative designation of inactive corporations and reaffirming the obligation of corporations to update their administrative data and submit beneficial ownership information through the legal entity administration system managed by Ditjen AHU. This policy applies towards the limited liability companies, foundations, and associations.

These provisions warrant attention as corporations that fail to update their data or comply with beneficial ownership reporting obligations may be subject to administrative sanctions and restrictions on access to legal entity administration services.

02. What Should Be Noted?

This Circular Letter focuses on two key aspects:

- the designation of corporations as administratively inactive where they fail to update their data within a specified period; and
- the reaffirmation of beneficial ownership reporting and verification obligations through the Ditjen AHU system.

03. Administrative Designation of Inactive Corporations

All Limited Liability Companies, Foundations, and Associations registered with the Ministry of Law are required to submit notifications of any updates or changes to their corporate administrative data to the Minister of Law through Ditjen AHU's electronically in accordance with their articles of association and applicable laws and regulations.

Pursuant to the Circular Letter, corporations that have not updated their administrative data or submitted notifications of such changes within the 5 (five) years preceding the issuance of the Circular Letter will be included in the provisional list of inactive corporations.

Furthermore, if within 6 (six) months following the notification of inclusion in the provisional list of inactive corporations, the corporation still fails to update or amend its corporate data through the Ditjen AHU's system, such corporation will be designated as a permanently inactive corporations.

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04. How Can an Inactive Corporation Reactivate Its Status?

A corporation that has been designated as inactive may remove its “Inactive” status by updating or amending its administrative data in accordance with its articles of association and the prevailing laws and regulations.

Accordingly, it is important for the management of a corporation to periodically ensure that the corporate data recorded in the Ditjen AHU system accurately reflects its current circumstances.

05. Beneficial Ownership Reporting and Verification Obligations

In addition to the obligation to update administrative data, all corporations are also required to submit beneficial ownership reports and complete the beneficial ownership questionnaire through the Ditjen AHU system in accordance with the applicable laws and regulations.

This obligation forms part of the ongoing effort to enhance transparency regarding corporate ownership and control, which continues to be a key regulatory focus.

06. Sanctions for Non-Compliance

Corporations that fail to report beneficial ownership information and/or submit inaccurate beneficial ownership information may be subject to administrative sanctions in the form of: (i) a warning; (ii) inclusion on a blacklist; and/or (iii) blocking of access to the Ditjen AHU system.

07. Steps That Corporations Should Take

To avoid the risk of being designated as an inactive corporation or being subject to administrative sanctions, corporations should ensure that:

- corporate administrative data in the Ditjen AHU system is always updated and reflects the latest circumstances;
- any changes in data required under the prevailing laws and regulations have been reported to the Ditjen AHU in a timely manner;
- beneficial ownership information has been reported completely, accurately, and on an up-to-date basis; and
- beneficial ownership questionnaires are completed in accordance with the applicable requirements.

08. Conclusion

Through this Circular Letter, the Ditjen AHU demonstrates increased administrative oversight of corporations registered with the Ministry of Law. In addition to introducing a mechanism for the administrative designation of inactive corporations, the Ditjen AHU also reaffirms the importance of compliance with beneficial ownership reporting and verification obligations.

Given the potential inclusion in the inactive corporation list, blocking of access to the Ditjen AHU system, and other administrative sanctions, corporations should conduct periodic reviews of the administrative data and beneficial ownership information recorded in the Ditjen AHU system to ensure compliance with the applicable requirements.