

Key Changes under BKPM Regulation No. 5/2025

Notes for Business Players



Glossary

BKPM: Ministry of Investment and Downstreaming / Investment Coordinating Board (*Kementerian Investasi dan Hilirisasi / Badan Koordinasi Penanaman Modal*).

BKPM Regulation No. 5/2025: Minister of Investment and Downstreaming / Head of the Investment Coordinating Board Regulation No. 5 of 2025 on the Guidelines and Procedures for the Organization of Risk-Based Business Licensing and Investment Facilities Through the Electronically Integrated Business Licensing System (Online Single Submission).

BKPM Regulation No. 3/2021: Investment Coordinating Board Regulation No. 3 of 2021 on the Electronically Integrated Risk-Based Business Licensing System.

BKPM Regulation No. 4/2021: Investment Coordinating Board Regulation No. 4 of 2021 on the Guidelines and Procedures for Risk-Based Business Licensing Services and Investment Facilities.

BKPM Regulation No. 5/2021: Investment Coordinating Board Regulation No. 5 of 2021 on the Guidelines and Procedures for the Supervision of Risk-Based Business Licensing.

GR No. 28/2025: Government Regulation No. 28 of 2025 on the Implementation of Risk-Based Business Licensing.

LKPM: Investment Activities Report (*Laporan Kegiatan Penanaman Modal*).



BKPM Regulation No. 5/2025 replaces and refines the previous BKPM regulations on investment implementation and reporting (ie BKPM Regulation No. 3/2021, BKPM Regulation No. 4/2021 and BKPM Regulation No. 5/2021) and ensures consistency with GR No. 28/2025.

BKPM Regulation No. 5/2025 has been effective since 2 October 2025

1. Criteria of Micro, Small, Medium and Large-Scale Businesses¹

	BKPM Regulation No. 4/2021	BKPM Regulation No. 5/2025
Micro-Scale Businesses	Capital of up to IDR1,000,000,000 (USD62,500), excluding land and buildings.	Capital of up to IDR1,000,000,000 (USD62,500), excluding land and buildings or annual sales revenue from business activities of up to IDR2,000,000,000 (USD125,000).
Small-Scale Businesses	Capital of more than IDR1,000,000,000 (USD62,500) and up to IDR5,000,000,000 (USD312,500), excluding land and buildings.	Capital of more than IDR1,000,000,000 (USD62,500) and up to IDR5,000,000,000 (USD312,500), excluding land and buildings or annual sales revenue from business activities of more than IDR2,000,000,000 (USD125,000) and up to IDR15,000,000,000 (USD937,500)

¹ At the exchange rate of USD1 = Rp16,000.

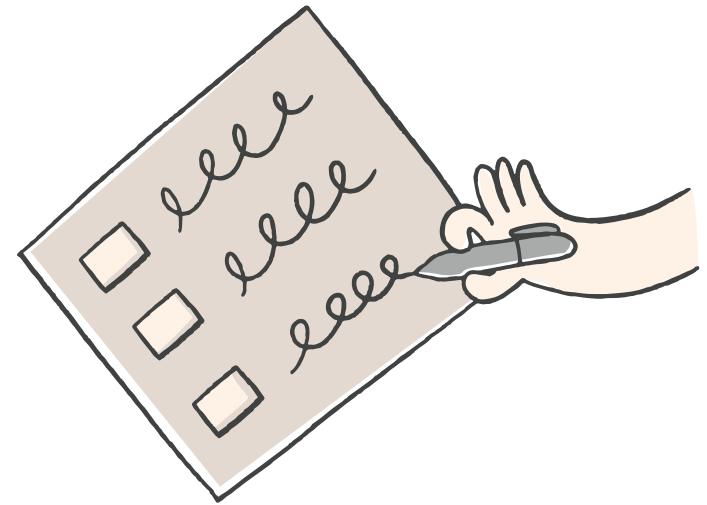
	BKPM Regulation No. 4/2021	BKPM Regulation No. 5/2025
Medium-Scale Businesses	Capital of more than IDR5,000,000,000 (USD312,500) and up to IDR10,000,000,000 (USD625,000), excluding land and buildings.	Capital of more than IDR5,000,000,000 (USD312,500) and up to IDR10,000,000,000 (USD625,000), excluding land and buildings or annual sales revenue from business activities of up to IDR50,000,000,000 (USD3,125,000).
Large-Scale Businesses	Foreign investment (<i>Penanaman Modal Asing / "PMA"</i>) companies.	Capital of more than IDR10,000,000,000 (USD625,000), excluding land and buildings or PMA companies.

2. Minimum Capital and Investment for PMA Companies

	BKPM Regulation No. 4/2021	BKPM Regulation No. 5/2025
Minimum Investment	More than IDR10,000,000,000 (USD625,000), excluding land and buildings per 5 digits of the Indonesian Standard Business Fields Classification per project location.	Remains unchanged.
Minimum issued/paid-up capital	At least IDR10,000,000,000 (USD625,000).	At least IDR2,500,000,000 (USD156,250).

Important things to note under BKPM Regulation No. 5/2025:

- A PMA company engaging in any of the property development, accommodation services, agriculture, plantation, livestock and aquaculture sectors may include land and buildings as part of its investment calculation.
- Issued/paid-up capital must remain in the company's bank account for at least 12 months after being paid-up. However, the funds may be used for asset acquisition, building construction and/or business operations. Compliance with this requirement is confirmed through a self-declaration form (in the form and substance attached to BKPM Regulation No. 5/2025 as Annex I).



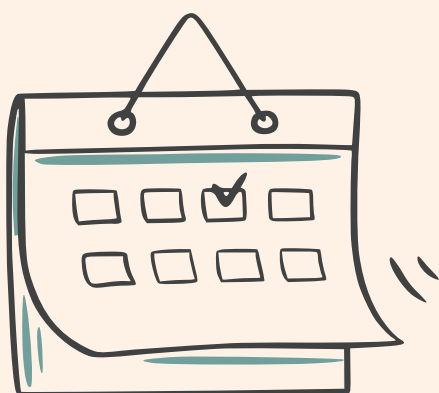
LKPM Exemption

BKPM Regulation No. 5/2021

Micro-scale business players, upstream oil and gas, banking, non-bank financial institutions and insurance companies.

BKPM Regulation No. 5/2025

Micro-scale business players and/or business activities financed by the State Budget (APBN) or Regional Budget (APBD).



LKPM Submission Deadline

Under BKPM Regulation No. 5/2025, the deadline for the submission of an LKPM has been extended from the 10th day to the 15th day of the relevant month.

Licenses' Validity Period

Under BKPM Regulation No. 5/2025, business licenses (*Perizinan Berusaha / PB*) are generally valid as long as a business is in operation.

Unlike BKPM Regulation No. 4/2021, BKPM Regulation No. 5/2025 provides that a certain validity period may be applied to business licenses with specific purposes (eg for the trading of hazardous and/or toxic materials).

Facilitation for Shared Premises & Administrative Flexibility

Unlike BKPM Regulation No. 4/2021, BKPM Regulation No. 5/2025 provides that businesses in shared commercial/services buildings (eg malls, office buildings) may apply for business license(s) using the basic required documents (eg Environmental and Building Approvals) of the building owner/manager, through the OSS system.

In the above case, prior to applying for business license(s), a business player must submit (i) a valid and applicable lease agreement between the business player and the building owner/manager, (ii) the NIBs of the building owner/manager and the business player and (iii) the basic required documents of the building owner/manager.



Exemption: If the building is managed by the central or regional government, applicants may be exempt from providing the NIB and basic required documents of the central or regional government.