

Review Article

Review of Laws and Decisions of the Indonesian Competition Commission on Notification Obligations

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Abstract: This article examines the legal consequences of a delayed notification of a share acquisition under Indonesian competition law, focusing on the case of PT X's takeover of PT Y. The central issue is PT X's failure to report the acquisition to the Commission for the Supervision of Business Competition (KPPU) within the mandated 30-day period, as stipulated by Law Number 5 of 1999 and its implementing regulation, Government Regulation Number 57 of 2010. The notification was submitted with a significant delay of 2,023 days, a clear violation of the statutory requirements. As a result of this non-compliance, the KPPU, through its Decision No. 31/KPPU-M/2020, imposed an administrative fine on PT X amounting to IDR 1,050,000,000.00 (one billion fifty million rupiah). Beyond the direct financial penalty, the violation led to severe indirect repercussions, including significant reputational damage, which threatened to erode investor confidence and disrupt existing business relationships. The KPPU's firm and consistent enforcement in this case highlights the critical function of the post-merger notification system in Indonesia as a preventative mechanism to assess transactions that could lead to excessive market concentration. The decision underscores the legal principles of transparency, fairness, and accountability that underpin Indonesian competition law. This case serves as a powerful deterrent, signaling to all business actors that non-compliance will not be tolerated. Ultimately, such rigorous enforcement is crucial for fostering a culture of legal adherence, maintaining market integrity, and building a more transparent and competitive business ecosystem that supports sustainable economic growth in Indonesia.

Keywords: Competition Law; Notification Delay; Acquisition; Sanctions; KPPU

1. Introduction

Merger, consolidation, and acquisition of business are the refresher transactions widely used in the modern business world. Over the last several years, the practice of merger and acquisition (M&A) has been steadily and continuously rising in Indonesia. It was driven by the economic growth that was revitalized faster, regionalization as well as the increased presence of the local and international companies. The recent government-fueled structural changes, namely, the Job Creation Law of 2020 once again spurred the business movement, comprising consolidations, mergers and acquisitions as the law facilitated the ease of investing and provided a further business-friendly legal environment. It is characteristic of such business activities which are prominent in and not limited to e-commerce, fintech, and ride-hailing services among others. The new wave of M & A transactions that involve large technology companies with a high level of market power and it must be kept under control. The accelerated level of activity makes the realization of the duty of notification even more important as unregulated takeovers may result in over-concentration of economic forces and ultimately disruption of the competition equilibrium, hindering innovation, and generation of unhealthy business conditions.

Thorough business competition is a vital pillar of the economy of a country. Healthy business competition will promote an environment where businesses must innovate and

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operate efficiently to win customers, this will ultimately lead it to lower prices, higher quality goods and services, and greater consumer choice. In Indonesia, there are a handful of regulations that govern business competition law. The foundation of it is Law Number 5 of 1999 concerning the Prohibition of Monopolistic Practices and Unfair Business Competition. Which has been partially amended by the Job Creation Law of 2020. This regulation was made to create a fair and healthy competition climate for all business actors, one of the important aspects of this regulation is the notification obligation that companies must comply with in cases of share acquisitions and/or business mergers. This obligation is stated in Article 29 of Law Number 5 of 1999 which requires business actors to inform the Commission for the Supervision of Business Competition (Komisi Pengawas Persaingan Usaha or KPPU) of any planned share acquisition that could potentially disrupt business competition (Murniati, 2021). The said notification is a preventive measure that allows the KPPU to assess the impact of such acquisitions and/or business mergers on market competition.

In practice, violating the notification obligation can lead to serious legal consequences, including administrative sanctions such as fines. For example, in the case of PT X, the company was late in notifying its acquisition of shares in PT Y. Based on the facts, the company only submitted the notification to the KPPU on November 26th, 2019, whereas the obligation should have been fulfilled no later than 30 days after the effective date of July 6th, 2011. Due to this delay, PT X faced a KPPU ruling stating that they had violated Article 29 of Law Number 5 of 1999 in conjunction with Article 5 of Government Regulation Number 57 of 2010 (Hernanda et al., 2022) As mentioned before, the legal basis for the obligation of submitting notification can be seen in Law Number 5 of 1999 and Government Regulation Number 57 of 2010 concerning Company Acquisitions, which regulate the notification procedures and requirements to be met. Through the notification obligation, the KPPU is expected to effectively supervise every acquisition that has the potential to damage healthy competition (Anggraini, 2021). In this context, it is important to examine more deeply how the KPPU enforces the notification obligation and the legal consequences that can be faced by business actors who do not comply with these provisions. This is also connected with the attempts to preserve market integrity and trust of people to the supervisory institution (M. Yogi Arie Dewanto & Timbo Mangaranap Sirait, 2023).

The assessment of the KPPU's decision concerning the PT X case elucidates the Indonesian legal system's efforts to reconcile business interests with the preservation of competition. With this knowledge, a better perspective of the notification obligation and its implication of the business practices in Indonesia can be reached. This paper aims to examine the statute regarding the obligation to notify, as well as to evaluate the KPPU's ruling concerning the actions taken by PT X. In this regard, these hopefully constructive suggestions for enhancing the business competition law policy in Indonesia should be acknowledged, especially concerning the notification requirement, as they aim to foster a healthy and equitable competitive environment in Indonesia. Readers and businesses alike are anticipated to possess an enhanced comprehension of the correlation between the responsibilities of providing notifications and maintaining ethical competitive practices. The paper will also talk about how important KPPU is for making sure the market is stable and fair by being the main law enforcement agency. This research is not only academically significant but also enhances legal practice and public policy in Indonesia.

Preliminaries or Related Work or Literature Review

This section outlines the state-of-the-art legal framework governing business competition in Indonesia, focusing on the regulations pertinent to merger and acquisition notifications. It synthesizes the primary legal statutes and the established principles of their enforcement as detailed in existing legal analysis and case law.

The Notification Obligation in Indonesian Competition Law

Fair business practice in Indonesia is governed by Law Number 5 of 1999 concerning the Prohibition of Monopolistic Practices and Unfair Business Competition. In general, this legislation was intended to create a balance competing field by preventing dominant businesses from abusing their position, while at the same time protecting smaller businesses and consumers from unfair practices. One of the most important elements of this regulatory framework is the notification obligation, which applies to companies engaging in corporate actions such as share acquisitions, business mergers, and consolidation.

Article 29 of Law Number 5/1999 stated that business actors are required to notify the Commission for the Supervision of Business Competition (Komisi Pengawas Persaingan Usaha, or KPPU) of any merger, consolidation, and acquisition which results in the value of assets value and/or sales exceeding a certain amount, shall notify the KPPU no later than 30 days from the date of the merger, consolidation, and acquisition. The obligation is not absolute in all cases, but rather conditional upon the scale of the transaction of the corporate action. To further elaborate the threshold of the obligation, the government issued Government Regulation Number 57 of 2010 concerning Mergers, Consolidations, and Acquisitions of Companies (GR No.57/2010). Article 5 of GR No.57/2010 specifies the financial thresholds of assets and sales value that trigger the requirement are the total of asset value of Rp2,500,000,000,000.00 (two trillion five hundred billion rupiah) and/or sales value of Rp5,000,000,000,000.00 (five trillion rupiah). Thereby ensuring that only transactions with significant economic impact fall under KPPU scrutiny. It should be known that the obligation to notify is not a formal aspect. It is not merely a device of the administrative rule, but a precautionary device to protect healthy competition. The KPPU can understand the potential of the transaction to cause a concentration of the market, decrease the choice of consumers or pose a new barrier to entry by making corporations disclose significant corporate acts on time. This duty of prevention is important in the sectors where consolidation might lead to monopolistic or oligopolistic patterns with ease (telecommunications, banking, energy and the digital economy). The absence of such a mechanism would result in the high likelihood that major firms will silently increase their dominance by acquiring other firms without regulation, ultimately resulting in them having distorted the competitive environment.

Another value of this notification regime is that it is comparable to the international practices. Pre-merger or post-merger notifications are also found in the competition law systems of many jurisdictions including the European Union, the United States, and Singapore. The reason is that it should enable competition authorities to experiment at the initial stage, whether a transaction will pose risks of substantially reducing competition. Indonesia now follows a post-merger notification model (within 30 days after the transaction has become effective) but still, there is a debate amongst scholars and practitioners on whether or not Indonesia needs to shift to a pre-merger system. Prior to merger regime would be more protective, as potentially anti-competitive transactions can be stopped before they are executed, as opposed to punished after the fact. Moreover, the compliance and enforcement are also associated with the effectiveness of the notification obligation. The need that is required may not be acknowledged or the significance of it may not be taken seriously by many businesses and more so the smaller or new businesses. The case of PT X not giving PT Y enough notice of its acquisition shows that not following the rules can lead to big fines. This shows that the requirement to notify is not fair, but rather a bureaucratic part of Indonesian competition law. In that sense, the provision is both a way to make sure that companies follow the rules and a way to scare them into doing so. Following the rules will make the market more open, and the threat of punishment will make companies less likely to ignore their legal obligations.

Legal Sanctions and Enforcement Principles

It is against the law to miss the deadline for sending the notice. The law gives KPPU the power to fine companies that break the rules, either through administrative fines or money fines. The use of these punishments shows some important ideas that shape Indonesia's competition law. First, the sanctions will try to scare people away from doing it again. The KPPU wants to stop more violations from happening by holding people accountable and making sure that the culture of legal compliance spreads even more among all market players. People in the system of measures think that this kind of strict enforcement is necessary to keep the market in order and give people a sense of confidence. 2. The process includes openness and the idea of fairness. The notification system will let KPPU objectively look at the possible purchase and see if it would make the market an unhealthy monopoly. Following the rules strictly will make sure that none of the parties gets an unfair advantage by doing their legal duties around the bushes, which will level the playing field. Finally, on top of the financial fines which may be imposed directly, the non-compliance may lead to a disastrous reputation. Violation will destroy the confidence of the investors, business partners, and the population, which may affect the long-term sustainability and relations of the company.

3. Materials and Method

The study is a case study based on a doctrinal legal analysis. It is a qualitative methodology, which aims at interpreting and synthesizing legal texts to learn how the competition law is applied in a particular situation. This is done by examining the legal systems and using the same to the case facts to make conclusions on both the legal implications and principles of enforcement

Research Materials

The materials for this study consist of primary and secondary legal sources.

Primary Legal Materials:

a) The legal basis of the notification obligation is Law Number 5 of 1999 on the Prohibition of Monopolistic Practices and Unfair Business Competition where the law is established, b) The government regulation number 57 of 2010 on company acquisitions, which gives specific procedures in the notification requirement, c) KPPU Decision No. 31/KPPU-M/2020, the official decision against PT X, which becomes the main case study of the given research.

Secondary Legal materials:

These resources give a background, legal commentary, and a more general view of the juridical matters. These are scholarly articles on competition law, notification requirements and functions of the KPPU that are published in academic journals, academic commentaries, and other scholarly articles.

Research Method

The studies were done in a systematic manner in the form of various phases as shown in the flow diagram below. This is done in steps so that the legal issue is analyzed in a structured and thoroughly analyzed manner.

a) Problem Identification: To commence research, the fundamental legal problem was determined, i.e., the impact of a late notification of a share acquisition according to the Indonesian competition law, with reference to the case of PT X, b) Data Collection: This step was the collection of all the pertinent primary and secondary legal resources. It was concerned with gathering the particular laws, regulations, and the official decision of the KPPU related to the case, c) Legal Framework Analysis: The collected statutory materials chiefly, the Law No. 5 of 1999 and Government Regulation No. 57 of 2010 have been examined to arrive at a clear image concerning the notification obligation, its term and the legal reasoning. d) Case Study Application: The above legal framework was put into perspective with the facts of the PT X case. This required a strict review of the commission of the KPPU ruling to determine how the law was interpreted and applied with the reasons that resulted in the penalties applied, e) Synthesis and conclusion The final step was the generalization of the results of analysis of the case in order to achieve the general conclusions. This step was intended to elaborate the legal connotations of the failure to comply, the assumptions of the competition law as demonstrated in the ruling of the KPPU and the overall impacts of the business ecosystem in Indonesia.

4. Results and Discussion

Implementation of Notification Obligations in Law No. 5 of 1999 and Its Impact on PT X in the Case of the Takeover of PT Y Shares, Which Was Late in Being Reported to the KPPU

The notification requirement where acquisition of shares is involved is a very important issue of business competition law, as in Indonesia, under Law Number 5 in 1999. The aim of this law is to discourage monopoly and unfair competition in business and to shield the consumers and other players in the business world against the adverse effects of market consolidation. In this aspect, the KPPU (Commission for the Supervision of Business Competition) is influential in the implementation of this requirement. A notable example of what the notification obligation means in practice is the case of PT X related to its takeover of shares in PT Y (Murniati, 2021).

This case commenced with the PT Y shares being bought by PT X The acquisition was done in a number of steps which were recorded under different deeds. Based on Deed Number 30 dated April 27, 2011, followed by Deed Number 06 on June 9, 2011, and several other deeds, PT X became the majority shareholder in PT Y, signifying a change of control

in the company. According to Article 29 of Law Number 5 of 1999, a company conducting a share acquisition is required to notify the KPPU no later than 30 days after the effective date of the acquisition (Hassani & Suherman, 2022).

The legally effective date of the said acquisition was July 6, 2011, which means the KPPU should have received the acquisition notification by August 6, 2011, at the latest. However, PT X only submitted the notification to the KPPU on November 26, 2019. This delay amounted to 2,023 days, a clear violation of the provisions stipulated in the law. From a legal standpoint, this violation of the notification obligation is subject to sanctions as regulated in Article 43 paragraph (3) of Law Number 5 of 1999. According to the ruling of KPPU Commission Council, PT X had been guilty of infringing the statutory provisions and the company was fined by the Council IDR 1,050,000,000.00 (one billion fifty million). This penalty is an administrative penalty that is imposed due to the delayed notification with the aim of producing a deterrent effect and sounding in a business competition law. It is noteworthy that the notification obligation is not the triviality but has substantial effect on the market structure and competition. In this obligation, the KPPU acts as the supervisor which is able to thwart acquisitions which may be counterproductive to competition in the market. When there was a violation of the notification duty, as in the case of PT X, the notification of the breach resulted in the basic sentence and the reputation of the company might be harmed by the citizens and investors (Francisca et al., 2023).

This notification requirement and the implementation and enforcement of this requirement is an important factor in the maintenance of market integrity in law. KPPU must have the capacity to act on breaches that occur and the decision reached in the case of PT X says that the board is keen on enforcing the statute. This is meant to build trust between the business players and the citizens that an inclusive and healthy market can be achieved (Balqis, 2020). The KPPU in its judgment is also referring to the consideration of many factors including the impacts of the acquisition in the business competition. The case itself is symbolic of the importance of transparency in the process of procurement and the need to share information with the qualified authorities. Information that is required can be acquired through prompt notification in order to enable the KPPU to conduct a thorough review of the impact of the acquisition in the competition. Here the signal the KPPU sends to all business players is that there are circumstances in which they are required to follow eventualities of the law regardless of the price. The pressure on the companies to be transparency mindful at all times is expected and this is where reporting any measure which might have a chance of affecting the market structure is expected. Any failure to provide the notifying process in time will not only result in penalties but could also have an impact on the sustainability of business especially in the competitive industry.

In conclusion, the need to disclose in share purchases is a precious instrument in maintaining the market as healthy as per competition. PT X is an example of the consequences of not adhering to this duty and the part played by hard adherence to the law by the KPPU. With the same sanctions in place, it is hoped that there will be some level of wakeful thinking to the business actors on what it means to conform to the business competition statute which on its own will instill a supportive condition to the creation of practical customer-friendly business environment.

Legal Consequences Faced by PT X Due to Delayed Notification of Share Acquisition to KPPU, and How KPPU's Decision Reflects the Application of Business Competition Law Principles in Indonesia

Requirement of a share acquisition notification is to be considered as one of the most crucial aspects of market integrity in the business competition law in Indonesia. The acquisition of shares in PT Y was met with serious action and led to legal actions that PT X had to undertake due to failure to notify the Commission of Supervision of Business Competition (KPPU) as early as possible. The case indicates the use of the principles of the business competition law in Indonesia and reflects how the KPPU implements the existing provisions (Dewi Sugiarsih et al., 2023). The 2,023 days period in which PT X took to notify has resulted in several adverse legal impacts. According to the article 29 of Law Number 5 of 1999, any company undertaking a share acquisition is required to give a notification to the KPPU within 30 days following the time of effect of the acquisition. The effective date legally is in this case July 6, 2011, but the notification was actually filed on November 26, 2019. This

non-compliance is a clear violation of the applicable provisions and indicates negligence in fulfilling a legal duty (Jasmine, 2024).

The KPPU, as the institution tasked with overseeing business competition practices, decided to impose an administrative sanction on PT X in accordance with the provisions regulated in Law Number 5 of 1999. In KPPU Decision No. 31/KPPU-M/2020, the KPPU Commission Council ruled that the company was proven to have violated the notification provision and imposed a sanction in the form of a fine of IDR 1,050,000,000.00 (one billion fifty million rupiah), which must be deposited into the State Treasury. This sanction is not only financial but also reflects a firm enforcement of the law against violations of the notification obligation, aimed at maintaining healthy competition.

The sanction imposed not only emphasizes the importance of adhering to the notification obligation but also provides a deterrent effect for other companies. The KPPU strives to show that any violation of business competition law will be met with clear and measurable consequences. This serves as an important signal to all business actors that non-compliance will not be tolerated and that the supervisory body will always monitor any transaction that could potentially affect market competition (Anisah & Zaky Ridho Subakti, 2022). Moreover, the ruling of the KPPU in this instance demonstrates the principle of the business competition law in Indonesia, including transparency, fairness, and accountability. It is a fundamental requirement of a good legal system that all business actors should meet their obligations in a transparent manner such that the KPPU can evaluate the effect of an acquisition on the competition. Through the provision of timely notification, a company will allow the KPPU to evaluate the possibility of the acquisition establishing harmful market dominance (Munawwaroh, 2024).

The penalty given to PT X in the case of the principle of fairness reflects justice observed in competition law. The KPPU aims at making sure that none of the companies make profit by violating the law. This is to say that all business actors, irrespective of size and impact, need to be treated by the same provisions. This plays a key role in establishing a healthy and just business environment where the different business players stand equal chances of competing in the market. Responsibility is also a crucial element of the business competition law enforcement. The KPPU as the official body must ensure that it is fair and avoids unhealthy business conduct. The action to issue a penalty to PT X in this case shows that the KPPU is dedicated to being a stern and upright overseer. This responsibility creates a sense of assurance with the citizens and business stakeholders, that there is a just process of dealing with law breaches (Dwiliandari, 2021).

The effects of this KPPU ruling are also transpiring to other industries, whereby business parties are supposed to be more cautious in making share acquisitions or other ownership changes. The case can therefore be used as a lesson to PT X, as well as other companies in adhering to the provisions of the relevant laws. This must instill a culture of legal abidance among business actors and consequently, this would aid in creation of a healthy and competitive market. Another thing that is important to understand is that the law of competition in business is not only designed to penalize those committing offences but is also meant to protect the interests of the consumers and other business players. The KPPU will maintain a competitive and open marketplace by a sanction on PT X where the consumers have access to products and services of good quality at affordable prices. KPPU is an upholder of the social interest in the performance of its functions and the depiction of this organ is its answer to the functions. The legal consequences of the delayed notification to PT X are not a fine indeed, there could be a stage of reputational losses to the organization, which could cause both issues related to business relations and shareholder trust. This incident will likely make the company more attentive to the implementation of its duties in the future and encourage the company to be more careful regarding the relevant legal procedures, thus, ensuring that such an incident does not occur in the future.

Altogether, the case shows that it is essential to implement the principles of a fair and transparent law of business competition. The case of PT X that was decided by the KPPU is not just a case of law enforcement but also a strategy of creating a superior business ecosystem. Such an approach to law enforcement is likely to promote increased trust in the Indonesian legal system and market in the long-term, and spur sustainable economic growth because of its regular and harsh enforcement (Rizal & Hikari, 2022). The delayed notification

of the acquisition of shares in PT Y by PT X to the Commission for the Supervision of Business Competition (KPPU) not only brought financial consequences in the form of a fine but also had the potential to cause significant reputational damage to the company. In an increasingly competitive business world, reputation is one of the most important assets a company possesses. This incident shows that violations of legal obligations can damage a company's image in the eyes of the public, business partners, and investors. This raises doubts about the company's commitment to legal compliance, which in turn can disrupt established business relationships and create uncertainty for potential investors (Sari, 2024).

The fine imposed on PT X of IDR 1,050,000,000.00 (one billion fifty million rupiah) based on KPPU Decision Number 31/KPPU-M/2020 is one form of a firm administrative sanction. However, the sanctions do not stop at the fine. The 2,023-day notification delay creates a negative precedent for the company and can result in greater losses in the form of a loss of trust from stakeholders. Investors and business partners may begin to doubt the integrity and reliability of the company in carrying out its business activities, which could disrupt potential future collaborations. From a legal perspective, the notification obligation in a share acquisition is regulated in Article 29 of Law Number 5 of 1999 concerning the Prohibition of Monopolistic Practices and Unfair Business Competition. In this article, it is indicated that any company that undertakes a share acquisition should notify the KPPU within 30 days of the acquisition taking effect. In the instance of PT X, the warning was only issued on November 26, 2019, which means that there was negligence in respect of a legal duty that ought to have been observed. The outcomes of this infraction demonstrate that businesses need to be more cautious about conducting legal practices, such as making sure that all the notification requirements are fulfilled in due time (Rahmawati et al., 2023).

Here the other companies can learn the lesson that it is best to adhere to all the relevant legal stipulations. It is foreseen that companies will be more active in comprehending and implementing the current legal principles to prevent adverse legal effects. This demonstrates that business ventures should possess comprehensive knowledge of the laws that govern their industry, particularly, business transactions that are likely to influence competition in the market. Therefore, businesses are not only in the business to make money but they are also involved in ensuring integrity and adherence of the market and the law. The beneficial effect of the persistent and strict enforcement of the law as in the case of PT X is likely to establish a healthier business environment in the long run. When business players understand that there exist real repercussions in the event of law breaking, then they will be more inclined to abide by the provisions. This will instill a culture of compliance amongst the business actors in which they will understand that being obedient to the law is part of the sustainable business strategy (Francisca et al., 2023).

The strong and consistent application of the law in the situation of the late announcement of a purchase of shares by PT X is a valuable example of the attempts of the government to create the system of fair and transparent business competition in Indonesia. This case shows the decisiveness that Commission of the Supervision of Business Competition (KPPU) has in the enforcement of regulations pertaining to the mandatory notification of share acquisitions, in reference to Law Number 5 of 1999 on the Prohibition of Monopolistic Practices and Unfair Business Competition and Government Regulation Number 57 of 2010. Such regular and resolute law enforcement in the long term would produce healthier and more open business environment, and would also instill a spirit of compliance among the business participants. Strong and stable enforcement of the law is highly significant towards the healthy business competition. In this regard, the sternness of the KPPU in imposing sanctions to PT X can not only be viewed as an enforcement activity, but also an indication to other business actors to be more attentive to the existing rules.

This is significant bearing in mind that the obligation to disclose a share acquisition is supposed to be in place to ensure that the emergence of major alterations in company control would not adversely affect the fabric of business rivalry in Indonesia. The 2,023 days lag in informing share acquisition is severe in the case of PT X, since rules stipulate that the notification should be presented within 30 days of change of control. The business actors involved in a share acquisition or a merger are obliged, by Article 29 of Law Number 5 of 1999 alongside Article 5 of Government Regulation Number 57 of 2010, to notify the KPPU within the stipulated time. If a business fails to follow this rule, it could hurt the competition

because it won't be clear what the business is doing, and it will be linked to the idea of a monopoly or oligopoly.

The KPPU is not only a supervisor and law enforcer, but also a protector of balance in the business ecosystem when the law is consistently enforced. When these business people know that breaking the law can have real consequences, it will be easier for them to follow the rules. This will help create a culture of compliance among business people by making them understand that following the law is not only their duty, but also a part of running a business that will last. There is indeed one very great long-term impact of the law on the business environment in Indonesia due to its regular application. When business people know that breaking the rules will get them in trouble, they will be more careful about how they run their businesses. This will create a culture of compliance that will lead to healthier business competition, where companies compete on performance and innovation instead of breaking the law. One of the good things that should come from such strict law enforcement is that it will make people and investors in Indonesia even more confident in the legal system and the market. When an investor is deciding where to put their money, one of the most important things they will look at is how certain the laws are in the business world. When the law is applied fairly, it will create a better business environment for investors.

Another important lesson that other businesses should learn from the PT X case is that they need to follow the rules that are in place right now. Businesses in Indonesia need to be more willing to do what they are supposed to do, especially when it comes to notifying people about buying shares or merging. If a company doesn't follow this rule, it could face targeted sanctions (fines) and even damage its reputation, which could affect how it does business and how much investors trust it. Policing often can also help make the business ecosystem healthier. A healthy ecosystem should not favor any one business actor over another. This puts the playing field at par with all companies receiving equal chances to compete. In this way, business actors who abide by the rules will feel appreciated and those who break the rules will be taken care of accordingly. The role of the KPPU as the institution that oversees and enforces the regulations of business competition can not be discussed outside of the significance of the culture of compliance. Under the PT X, the KPPU has demonstrated a strong resolve of the law through fining the company a considerable amount because it took time to report its purchase of shares. This is not purely in a bid to penalize the infraction that has transpired but rather act as a caution to other business players to be more keen in matters concerning their legal requirements.

Such a consistent application of law in the long-term period will give a rather fair and clear business environment in which the participants of the business will see the need to follow the appropriate laws. This will also help the economy grow in a way that is good for the environment, and healthy competition in business is one of the main parts of that. The firm and consistent handling of the PT X case has a positive effect on Indonesia's business climate in the long run. If there are real consequences for breaking the law, people in business will be more likely to follow the rules. This will create a culture of compliance that allows for fair and open competition in the business world. The case is also a good example for other business people to see that following the law is an important part of a long-term business plan. So, consistently enforcing the law is not only a way to get back at the people, but it will also make the business world better in the future.

Depreciation of the principles of the law of fair and transparent business competition is of great importance in building trust among the population and business participants. With clear provision on whether or not to give notification, the results of breaching the provisions, companies will operate in a more open manner. It will help create healthy competition in the market and benefit the consumers because all parties will strive to operate with the same rules. The decision of the KPPU issued in this case is also a hard fact which shows that the oversight body is willful enough to enforce the business competition law. In performing its functions, the KPPU should make sure that no business player will unfairly benefit by violating the law. Hence, ensuring that the law enforcement is not only meant to punish the offenders but the interests of the full market players and consumers are also preserved. The delay in the time of delivering the notification to the PT X would allow an internal audit of the compliance with the applicable procedures and guidelines. The company would tend to undertake some audit of its business operation and ensure that any deal whether in terms of share purchase is

conducted as per all requirements of law. This will help in preventing the occurrence such cases in future and it will have increased confidence by the stakeholders in the company.

Finally, but not the least, this case emphasises the value of collaboration between the government agencies, such as the KPPU and business players in creation of healthy business environment. Educating and providing the business players with clear information regarding which legal requirements are applicable should also be maintained by the government. In this regard, socialization and training programs can become temporary actions to support corporate knowledge on business competition law. Under these steps, it is hoped that companies will be better prepared and able to conduct their businesses in a more qualified manner, in addition to having businesses run according to up-to-date provisions (Dwi Santo, 2011). Lastly, the legal consequences of the act committed against PT X due to the delaying of notification is not just a fine but also an image that can leave a mark and could impact business transactions and investor confidence. This kind of thing is a good lesson for anyone in business to be more careful about their legal duties. The stricter and frequent use of the law should, not only increase the trust of the people towards the legal system and market in Indonesia, but sustainable economic growth (Ginting, 2015).

5. Conclusion

This paper concludes that significant and diverse legal ramifications arise from the delayed notification of a share acquisition of PT X. The Commission on Supervision of Business Competition (KPPU) plays a very important role in putting Indonesian competition law into action. The result of this case is an administrative fine of IDR 1,050,000,000.00 (a billion and fifty million) for an administrative infraction that lasted 2,023 days. This shows that the penalty is not just financial, but also reputational and leads to a lack of trust among stakeholders. As the case study shows, breaking the notification rules in Law 5 of 1999 is likely to result in harsh penalties because they are a sign of strict and logical compliance with the principles of fairness, transparency, and responsibility in the enforcement of competition law.

In a broader context, this article illustrates the direct and indirect repercussions of non-compliance with notification requirements, which may manifest as diminished investor confidence, disrupted business relationships, and compromised long-term sustainability. The sanctions have two parts: the financial penalty is clear because it only applies to financial transactions, but damage to a company's reputation can be very bad for its survival and competitiveness. The KPPU's actions are more of a way to punish and scare businesses than anything else. They send a strong message that competition laws can't be broken.

There are a lot of policy recommendations that can come from this case. First, KPPU needs to have the power to look into and check on business practices that seem to be anti-competitive. Second, Indonesia might think about using the current system of post-merger notification along with pre-merger notification. This would let KPPU step in before a deal is made if it could be bad for the country. This approach is widely adopted in other jurisdictions such as the European Union and Singapore and could strengthen preventive oversight in Indonesia. Third, there should be greater socialization and legal education for companies, particularly in emerging industries such as digital platforms, e-commerce, and fintech, where mergers and acquisitions are increasingly common. By improving awareness and compliance, businesses will be better equipped to align corporate strategies with legal requirements.

In terms of academic contribution, this study provides an in-depth illustration of how competition law is enforced in practice in Indonesia. However, its limitation lies in its reliance on a single case, which may not fully capture the broader enforcement trends. Therefore, future research is recommended to expand this analysis in several directions: (i) conducting empirical studies on the economic impact of delayed notifications on market performance; (ii) examining the influence of KPPU sanctions on stock market valuations and investor behavior; and (iii) undertaking comparative studies with ASEAN jurisdictions to explore possibilities for regional harmonization of merger notification standards. Such studies would not only strengthen the academic discourse but also provide practical guidance for policymakers in designing more effective regulatory frameworks.

Ultimately, this research underlines that strict enforcement of notification obligations contributes to building a transparent, equitable, and competitive business ecosystem in

Indonesia. Consistent law enforcement by the KPPU does not merely punish violators but also safeguards the public interest, promotes legal certainty, and supports sustainable economic growth.

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