



One week left for Electronic Systems Providers to register in the private sector!

Overview

The Minister of Communications and Informatics (**MoCI**) recently issued Circular Letter No.3 of 2022 on the Effective Date for the Registration of Private Electronic System Providers (the **Circular Letter**) which has provided a deadline of **20 July 2022 at the latest**, for both foreign and domestic Electronic Systems Providers (**ESP**) to register and obtain an Electronic System Provider Registration Certificate (*Tanda Daftar Penyelenggara Sistem Elektronik*) through the Online Single Submission (**OSS**) system.

Background and comments

The Circular Letter and the requirement to register stems mainly from the enactment of Government Regulation No.71 of 2019 on the Implementation of Electronic Systems and Transactions and the implementing regulation, MoCI Regulation No.5 of 2020 on Private Electronic System Providers (as amended by MoCI Regulation No.10 of 2021, **MoCI Regulation 5**) which previously required ESPs in the private sector (**Private ESPs**) (such as portals, websites or application operators) to register in no later than six months after the implementation of the risk-based OSS system.¹ Unfortunately, up to the release of the Circular Letter, it has remained unclear when the risk-based OSS system will be deemed to be effectively implemented.

Also of note is that the above registration obligation is not only limited to domestic Private ESPs, but also foreign Private ESPs if they provide services, conduct business, and/or provide an electronic system that is used or offered in Indonesia. In particular, the registration requirement applies to both domestic and foreign Private ESPs that own portals, websites, or applications that are used to:

1. facilitate, manage, or offer goods/services.
2. facilitate, manage, or operate financial services transactions.
3. transmit paid-for digital materials using a data network, by downloading from a portal or site, sending via e-mail or other applications to a user's device.
4. provide, manage, or operate communications services, including short messages, voice calls, video calls, e-mail, etc., on digital platforms, including social media.
5. provide a search engine service or act as an information provider.
6. process personal data for operational activities for the public in relation to electronic transactions.

Impact of the new obligation to register

Please note that failure to register through the OSS system by no later than 20 July 2022 may result in the imposition of administrative sanctions in the form of access blocking (meaning that users in Indonesia will not be able to access the relevant portal, website or application).

¹ Please also refer to our Client Update on MoCI Regulation 5 [here](#).

In this regard, we would recommend that all domestic and foreign Private ESPs that meet the relevant criteria register and/or re-register through the OSS system before 20 July 2022 to prevent access to their system from being blocked, and as soon as possible to avoid further complications in the OSS system.

Conclusion

The Circular Letter appears to be the government's way to ensure that all domestic and foreign Private ESPs that own portals, websites or applications used for a broad range of purposes are registered through the OSS system and have obtained an ESP registration certificate before the specified time

Strong international growth of e-commerce business models and e-communications means that Private ESPs will be expected to be a significant growth area within Indonesia's digital economy. Along with such growth, further regulations are inevitable. We will continue to monitor such future regulatory developments and will report them in upcoming client updates as soon as they occur.



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