

**Perppu 2/2022, A Few More Steps to Become the Law/Undang-Undang**

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**1. Introduction**

The Indonesian government drafted the “Draft Law of 2023 on Determination of Government Regulations in Lieu of Law No. 2 of 2022 on Job Creation Law (“**Draft Law 2023**”)” and submitted it to the House of Representatives/Dewan Perwakilan Rakyat (“**DPR**”) for its review.

This Draft Law 2023 is drafted to make the “Government Regulation in Lieu of Law No. 2 of 2022 on the Job Creation Law (“**Perppu 2/2022**”)” to become a Law/Undang-undang.



**2. Background**

As you may be aware, the Indonesian Government issued the “Law No. 11 of 2020 on Job Creation Law (“**Law 11/2020**”, widely known as Omnibus law)” on November 2<sup>nd</sup>, 2020, however; it was later declared conditionally unconstitutional by the Constitutional Court on November 25<sup>th</sup>, 2021, through Decree No.91/PUU-XIII/2020.

To rectify the unconstitutionality of Law 11/2020, the Indonesian Government issued Perppu 2/2022 whose content is materially similar to Law 11/2020, on December 30<sup>th</sup>, 2022. Although this Perppu 2/2022 has been effective and valid since the time of its issuance, because Perppu 2/2022 has not been approved by the legislative body and its validity is temporary, it needs to be approved by DPR to be effective permanently as a Law/Undang-undang. For this purpose, the government drafted the “Draft Law 2023” to make the “Perppu 2/2022” to become a Law/Undang-undang and submitted it to the DPR for its review.

**3. The Latest Update**

On February 15<sup>th</sup>, 2023, DPR held a joint meeting with the Regional Representatives Council/Dewan Perwakilan Daerah (“**DPD**”) and approved the Draft Law 2023 to be passed to a plenary meeting of the DPR.

**4. What is the Content of this Draft Law?**

Draft Law 2023 stipulates the Perppu 2/2022, whose content is materially similar to the Law 11/2020, to become the Law/Undang-undang.

**5. Conclusion**

Although we are still waiting for further updates from the DPR, once Draft Law 2023 is ratified at a plenary meeting of DPR, published and signed by the president, it means that Perppu 2/2022 has become the Law/Undang-undang.

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Koji Umai spent more than 7 years working at a law firm in Japan where he was involved in various corporate affairs. He also had previous experiences handling international matters in civil affairs, real-estate, insolvency, and criminal cases.

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Yusuke has extensive and long-time experience in overseas matters, especially in Southeast Asia, Indonesia, and Malaysia. He handles a wide range of international construction agreements, sales and purchase agreements, dispute resolution, and pullout of business.

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Prisilia spent over 6 year's experience working as an in-house counsel in the legal department in particular areas of energy and natural resources in Indonesia and was involved in various legal works related to energy and natural resources. She took her master's (LL.M) at the University of Aberdeen, the United Kingdom majoring in Oil and Gas Law.

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