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Research Article

# The Anti-Corruption Legal Revolution: Updates to the Latest Laws in 2025

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## Abstract

This study provides a comprehensive analysis of the anti-corruption law landscape in Indonesia during 2025, a year characterized by significant legislative dynamics and judicial reviews rather than the enactment of a new, comprehensive anti-corruption act. The primary legal framework remains Law No. 31/1999 juncto Law No. 20/2001. A pivotal development in 2025 was the controversial implementation of Law No. 1/2025 on State-Owned Enterprises (SOEs), which reclassified SOE directors and commissioners as non-state officials. This change, coupled with the formalistic implementation of the 2025 Presidential Regulation on Procurement (Perpres PBJ), potentially limits the jurisdiction of the Corruption Eradication Commission (KPK) and the State Audit Body (BPK), creating significant legal uncertainty. The research uses qualitative legislative analysis to argue that the "revolution" in 2025 is not defined by a new comprehensive law, but by the strategic weakening of enforcement mechanisms in specific strategic sectors, alongside ongoing judicial review processes at the Constitutional Court regarding existing anti-corruption articles, and the influence of the post-election 2024 political regime. The conclusion suggests these changes pose complex challenges to the national anti-corruption framework and may signal a step backward in governance accountability.

**Keywords:** Anti-Corruption Law, Indonesia, 2025 Update, SOE Law, KPK Jurisdiction, Obstruction of Justice, Political Influence, Governance.



## INTRODUCTION

At the end of 2025, Indonesia's legal landscape is in a crucial phase of reform, marked by ongoing efforts to eradicate corruption—an extraordinary crime that continues to undermine the foundations of national development and public trust. This context encompasses significant dynamics in sectoral regulations and judicial interpretation, particularly concerning the primary legal framework: Law No. 31 of 1999 in conjunction with Law No. 20 of 2001 on the Eradication of Corruption (the Anti-Corruption Law). Although the term "legal revolution" is frequently invoked, the reality in 2025 indicates that the changes taking place are more interpretative and corrective within judicial institutions rather than the establishment of a truly new and revolutionary legal regime.

There is a significant tension between the need for a strong and legally certain

(lex certa) anti-corruption framework and the emergence of new sectoral regulations that potentially weaken law enforcement. This central issue manifests in two main phenomena: first, stagnation in the comprehensive revision of the Anti-Corruption Law, resulting in uncertainty in legal interpretation, such as in provisions concerning obstruction of justice; and second, the fundamental impact of Law No. 1 of 2025 on State-Owned Enterprises (SOEs), which explicitly redefines SOE directors and commissioners as no longer being state administrators. This change potentially narrows the jurisdiction of the Corruption Eradication Commission (KPK) and obscures the scope of state financial audits conducted by the Supreme Audit Agency (BPK). The significance of this issue lies in the risk of impunity gaps that may emerge in strategic economic sectors, threatening the overall effectiveness of the anti-corruption reform agenda.

This article aims to analyze and evaluate Indonesia's anti-corruption legal landscape in 2025, with a focus on recent legislative updates and the dynamics of their judicial interpretation.

A brief literature review examines previous studies that focus on analyzing weaknesses in the Anti-Corruption Law, comparing the standards of the United Nations Convention against Corruption (UNCAC) with national law, and debating the application of the Business Judgment Rule (BJR) in the context of SOEs. These studies frequently highlight the need to harmonize sectoral regulations with anti-corruption laws. This article contributes to the existing body of knowledge by providing an up-to-date analysis relevant to 2025, particularly by incorporating the concrete impacts of the newly enacted SOE Law No. 1 of 2025 and recent developments in judicial decisions.

## METHOD

This study is a normative legal research employing a qualitative approach. The methods used include a literature review and legal document analysis by examining primary, secondary, and tertiary legal materials.

Primary legal materials consist of official legislative documents, including Law No. 1 of 2025 on State-Owned Enterprises, regulations of the Corruption Eradication Commission (KPK), as well as Constitutional Court decisions and press releases issued throughout 2025.

Data analysis is conducted using a descriptive-analytical method through legal interpretation to understand the normative and conceptual implications of the statutory provisions under review.

Secondary data are obtained from credible sources published in or referring to the year 2025, including:

1. Coverage by leading mass media outlets reporting on legislative and judicial developments;
2. Reports and analytical studies from civil society organizations (such as Indonesia Corruption Watch/ICW and Transparency International Indonesia/TII);
3. Scholarly journal articles and expert opinions in constitutional law and criminal law.

The analysis is carried out descriptively and analytically to map regulatory changes occurring in 2025, identify the legal implications of these changes (particularly with regard to the principles of lex specialis derogat legi generali and the business judgment rule), and evaluate their impact on the national anti-corruption legal framework in force through the end of 2025. This approach enables the researcher to understand the context, debates, and practical consequences of the legal

"revolution" taking place in Indonesia.

## RESULTS AND DISCUSSION

### The Status Quo of the Anti-Corruption Law and the Dynamics of Judicial Review

As of the end of 2025, the primary legal framework for combating corruption remains Law No. 31 of 1999 in conjunction with Law No. 20 of 2001 (BPK, 1983). No new legislation has been enacted that fully revolutionizes the procedures for handling corruption crimes. This legislative stagnation indicates either political caution or a lack of consensus on fundamentally reforming a legal framework that has been in force for more than two decades.

The focus of legal change has shifted to the judiciary, with the Constitutional Court (Mahkamah Konstitusi/MK) serving as the main arena for debates on legal interpretation. This dynamic demonstrates that the "legal revolution" in 2025 is more interpretative and corrective in nature, aimed at existing provisions rather than the creation of a new legal regime (*UU Tipikor Kembali Diuji Ke MK*, 2025).

One of the judicial review petitions examined by the Constitutional Court in May 2025 concerned Article 21 of Law No. 31 of 1999 on the Eradication of Corruption, as amended by Law No. 20 of 2001, which regulates obstruction of justice (Wiryanto, 2025).

In the Constitutional Court hearing records, the Government and the House of Representatives stated that this provision is necessary to safeguard the integrity of law enforcement processes and the effectiveness of corruption eradication efforts (DR. IR. IWAN RATMAN, MSC., 2025).

Conversely, the petitioner argued that the formulation of Article 21 of the Anti-Corruption Law fails to meet the principle of lex certa, thereby opening space for multiple interpretations and potentially restricting freedom of expression as well as the rights of advocates in providing legal assistance (Jayanti, 2025).

Furthermore, the discussion also refers to the development of criminal liability theory, in which Stage III demonstrates that both corporations and natural persons can commit crimes and be held criminally liable and punished.

Therefore, the Constitutional Court's decision in this case is crucial to provide clear normative boundaries between legitimate criticism or lawful legal assistance and actions that may be qualified as obstructing the investigation process. In addition, the discourse on judicial review has also addressed Article 14, which functions as a "bridging provision." This article refers to criminal offenses regulated in other laws (such as the Forestry Law and the Banking Law) as corruption offenses if certain elements are fulfilled. The Constitutional Court is urged to clarify whether this provision remains relevant or overlaps with more specific sectoral laws (Sri Mulyani, 2025).

### The Impact of Law No. 1 of 2025 on State-Owned Enterprises (SOEs): A Setback?

The most significant change affecting the anti-corruption landscape in 2025 is the enactment of Law No. 1 of 2025 on State-Owned Enterprises (2025, 2024). This law, which became fully effective in the 2025 fiscal year, explicitly redefines the status of SOE directors and commissioners as no longer being state administrators (public officials) (Indonesia Corruption Watch, 2025).

The implications of this change are fundamental and have become the focus of academic debate and civil society concern. First, the reclassification potentially narrows the jurisdiction of the Corruption Eradication Commission (KPK), as certain

anti-corruption provisions require the offender to qualify as a "state administrator" or "civil servant." Although the KPK may still pursue cases involving general bribery or state financial losses, this change is perceived as weakening the Commission's preventive and enforcement capacities, a concern acknowledged by the KPK itself as it conducts internal studies on the impact of the new law.

Second, the new SOE Law raises concerns regarding the authority of the Supreme Audit Agency (BPK) to audit SOE financial statements. By characterizing SOEs as "private enriched entities," notwithstanding their state capital, the law blurs the boundaries of state financial oversight. Article 4B of the SOE Law stipulates that the proceeds from the management of separated state assets do not fall under the state finance regime unless otherwise determined by the State Budget Law, potentially excluding SOEs from stringent forensic audits by the BPK that previously exposed state losses due to corruption.

Third, the amendment is closely linked to the application of the Business Judgment Rule (BJR), intended to protect SOE professionals from criminalization for legitimate business decisions. However, without clear harmonization with the Anti-Corruption Law, legal scholars warn that this may create impunity gaps, allowing decisions that harm state finances to be shielded under the guise of business judgment. Consequently, this amendment to the SOE Law has been described by legal experts as a "silent revolution" that weakens, rather than strengthens, the anti-corruption regime in Indonesia's strategic economic sectors.

**Discourse and Strategic Planning**

In 2025, discussions also emerged regarding a comprehensive revision of the Anti-Corruption Law, driven by the need to align national legislation with international standards, particularly the United Nations Convention against Corruption (UNCAC), which was ratified through Law No. 7 of 2006 (KONVENSI PERSERIKATAN BANGSA-BANGSA ANTI KORUPSI, 2006). This discourse arises from the perception that Indonesia lags behind in adopting UN standards, for example in defining private-sector bribery. However, these discussions remain confined to political debates within the House of Representatives and the executive branch and have not yet materialized into enacted legislation. Civil society has expressed concerns that proposed revisions may instead weaken the KPK or dilute the substance of corruption offenses, including potential bias between gratification and bribery provisions.

Meanwhile, the Corruption Eradication Commission (KPK) has set its policy direction through KPK Regulation No. 2 of 2025 on the KPK Strategic Plan (Renstra) for 2025–2029 (PERATURAN & 2025, 2021). This strategic plan serves as an operational guideline for the anti-corruption body, emphasizing technology-based prevention and enhanced law enforcement synergy, despite facing new challenges arising from sectoral legislative changes such as the 2025 SOE Law.

**Implementation of the 2025 Presidential Regulation on Public Procurement: Formality vs. Substantive Prevention**

A significant additional issue in 2025 concerns the implementation of the new Presidential Regulation on Public Procurement (Pengadaan Barang dan Jasa/PBJ). Public procurement has historically been a fertile ground for corruption in Indonesia, consistently accounting for the highest percentage of corruption cases handled by law enforcement agencies each year. Consequently, any update to public procurement regulations remains a central focus of the anti-corruption legal reform agenda

(PERATURAN & 2025, 2021).

Although the 2025 PBJ Presidential Regulation was designed with the laudable objectives of enhancing efficiency, accountability, and transparency through more advanced e-procurement systems, critical analyses from various stakeholders—particularly Indonesia Corruption Watch (ICW)—highlight a wide gap between normative goals and implementation realities.

First, the regulation emphasizes deeper digitalization, cross-sectoral data integration, and the use of algorithms to detect anomalies in tender processes within the Electronic Procurement Service (LPSE). In theory, this should minimize human interaction, which often serves as an entry point for bribery and collusion. However, ICW's analysis suggests that these reforms tend to function as administrative formalities rather than addressing the substantive requirements of effective corruption prevention. Even sophisticated electronic systems remain mere tools, while the fundamental issues of procurement officials' integrity, procurement working groups, and weak oversight persist. Data throughout 2025 indicate that, despite increasingly advanced systems, corruption modus operandi have evolved into more complex and systematic forms.

Second, corruption practices in 2025 are no longer limited to conventional cash bribery. Detected methods include the pre-arrangement of tender winners through tailored technical specifications, digital collusion via encrypted communication or private networks, and kickbacks accompanied by money laundering schemes conducted outside the formal procurement system. These practices are difficult to detect solely through PBJ system audits. ICW argues that the 2025 PBJ Regulation fails to incorporate strong participatory oversight mechanisms and stricter sanctions for ethical violations at the level of procurement officials, rendering the regulation a "paper tiger"—modern in appearance but ineffective in deterring corrupt intent.

Finally, the regulation reflects an inherent dilemma between bureaucratic efficiency and procurement integrity. Pressures to accelerate budget absorption often undermine due diligence in procurement processes. In 2025, post-election demands to swiftly realize infrastructure projects increased the vulnerability of PBJ processes to "shortcuts" that facilitate corruption. Without strong and independent oversight, the 2025 PBJ Presidential Regulation risks becoming merely a formal legal instrument to legitimize pre-arranged projects rather than a substantive tool for corruption prevention.

**Strategic Policy Direction of the KPK (2025–2029)**

Amid challenging legislative dynamics, the Corruption Eradication Commission (KPK) seeks to formulate a more robust strategic direction. Through KPK Regulation No. 2 of 2025 on the KPK Strategic Plan (Renstra) for 2025–2029, the anti-corruption body has established new priorities.

The Strategic Plan focuses on:

1. Technology-based prevention, including the use of artificial intelligence (AI) to detect suspicious transactions;
2. Strengthening law enforcement synergy with the Attorney General's Office and the National Police within an integrated criminal justice system;
3. Extensive public education to foster an anti-corruption culture.

However, the effectiveness of this Strategic Plan will largely depend on the KPK's independence and the level of political support for the execution of its mandate, particularly in addressing new jurisdictional challenges arising from the SOE Law.

### The Influence of the Post-2024 Election Political Regime on the Anti-Corruption Legal Landscape

Political factors cannot be overlooked in analyzing Indonesia's anti-corruption law in 2025. The new administration, which began operating fully after the post-2024 election transition, has introduced different legislative agendas and law enforcement priorities. Shifts in executive power and the reconfiguration of political coalitions within the House of Representatives (DPR) have directly influenced the direction of anti-corruption policies.

There is strong analysis from political and legal observers suggesting that the rapid enactment of the SOE Law, with limited rigorous oversight, forms part of the new regime's political-economic consolidation. This approach appears to prioritize economic growth and bureaucratic efficiency over strict accountability in the SOE sector. Such swift legislative changes have raised concerns about potential trade-offs between economic growth and transparency.

Furthermore, political pressure on independent institutions such as the Corruption Eradication Commission (KPK) and the Supreme Audit Agency (BPK) remains a key variable shaping the outcomes and discourse of anti-corruption law in 2025. The renewed—though not fully realized—discussions on revising the KPK Law indicate ongoing systematic efforts to recalibrate the authority of anti-corruption institutions. Ultimately, political stability and genuine commitment from both the executive and legislative branches will be decisive in determining whether the anti-corruption agenda is strengthened or weakened under the shadow of power consolidation by the new regime.

## CONCLUSION

The so-called "Anti-Corruption Legal Revolution" in 2025 does not represent the enactment of a new and comprehensive legal framework, but rather a transitional period marked by challenges and paradoxes. The legal dynamics of 2025 are characterized by two opposing currents that shape Indonesia's anti-corruption landscape.

First, there is stagnation in primary legislation accompanied by an increasingly prominent judicial role. Until the end of 2025, the Anti-Corruption Law remains unchanged, and significant developments have occurred mainly through judicial review processes before the Constitutional Court (MK), particularly concerning key provisions such as obstruction of justice and the so-called bridging article. This trend indicates that the direction of anti-corruption law has been shaped more by judicial interpretation than by new legislative initiatives.

Second, significant sectoral changes have emerged that risk weakening law enforcement. The enactment of Law No. 1 of 2025 on State-Owned Enterprises has created potential loopholes in anti-corruption enforcement within the SOE sector. By redefining SOE officials as non-state administrators, the law raises concerns about the curtailment of the supervisory and enforcement powers of the Corruption Eradication Commission (KPK) and the Supreme Audit Agency (BPK). These changes may allow accountability to be shielded behind the business judgment rule while blurring the definition of state financial losses.

Paradoxically, legal developments in 2025 tend to generate legal uncertainty and the potential for regression in anti-corruption efforts in certain areas, rather than a strengthening legal revolution. While discourse on a comprehensive revision of the Anti-Corruption Law remains confined to political debate, the sectoral changes that

have occurred risk eroding the effectiveness of the anti-corruption system that had been built over previous decades.

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