

iGlobal Law : 2022 Annual Update : Indonesia

Legal Change	Effective Date	Action required
<p>Indonesia Constitutional Court Ruling: The Procedurally Flawed Law No. 11 of 2020 on Job Creation (“Job Creation Law”)</p> <p>The Indonesian Constitutional Court (<i>Mahkamah Konstitusi</i> - “Court”) through its ruling Number 91/PUU-XVIII/2020 (“Ruling”) has concluded that the formation of the Job Creation Law is procedurally flawed. The Court also ruled that the Job Creation Law must be revised within two years of the Ruling being announced. The Ruling affects 78 Indonesian laws which in this case includes Law No. 13 of 2003 on Employment (“Employment Law”).</p>	<p>Within two years of 25 November 2021</p>	<p>All employers will need to expect amendments to basic provisions of Law No. 13 of 2003 on Employment, which previously had been amended by the Job Creation Law, including:</p> <ul style="list-style-type: none"> - Work Agreement for Specified Time (<i>Perjanjian Kerja Waktu Tertentu</i>); - Outsourcing (<i>Alih Daya</i>) - Minimum Wage (<i>Upah Minimum</i>) - Foreign Workers - Severance Pay - Working hours