

Sailing Toward the New Maritime Era: Gentle Reminders, One-Year Insights, and the “Homework”

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The Surface

On 28 October 2024, the Government of the Republic of Indonesia enacted Law No. 66 of 2024 (the “**2024 Maritime Law**”) representing the third amendment to Law No. 17 of 2008 on Maritime Affairs (“**2008 Maritime Law**”). This amendment signifies the Government’s continued effort to modernise Indonesia’s maritime regulatory framework, enhance domestic shipping capability, and reassess foreign investment participation in the sector. Under its transitional provisions, the specific requirements in Article 29(2) and Article 158A come into force one year after the law’s promulgation (i.e., by 28 October 2025).

This article revisits the key provisions of the new Maritime Law, serves as a gentle reminder of its upcoming enforcement, shares our practical insights gained during the one-year transition period (2024–2025), and it also highlights the “homework” that still remains to be completed.

Gentle reminder

Article 29(2) and Article 158A of the 2024 Maritime Law, introduce a new structure for cooperation between Indonesian and foreign shipping companies. A national shipping company wholly owned by Indonesian citizens may cooperate with a foreign shipping company through a joint venture arrangement, provided that the Indonesian entity holds the majority of the shares. The joint venture must own, register, and operate an Indonesian-flagged vessel of at least 50,000 gross tonnes (“**GT**”), crewed by Indonesian nationals.

The law also provides a grandfather clause for existing joint venture shipping companies or Indonesian legal entities engaged in special sea-transportation for the industrial or mining sectors, provided that they maintain their existing corporate deed and shareholding structure, and do not acquire new vessels after the law takes effect.¹

In light of this, companies involved in the shipping business should carefully review their current joint venture structure, shareholding composition, corporate documentation, and vessel acquisitions before 28 October 2025 to ensure that they are fully compliant with the new regime.

The one-year countdown: industry movements and trends

Throughout the transition period, market activity has remained relatively calm, but several trends have emerged among foreign shipping players and ship agency operators. Many foreign shipping companies have not yet adjusted their shareholding structures or undertaken major reorganizations. Instead, their activity has been more visible in the form of financing arrangements and vessel acquisitions, signalling a continued interest in Indonesia’s maritime potential.

At the same time, a number of foreign companies originally focused on shipping agency business have begun reconsidering their business approach. Under the previous regime, many such companies faced significant delays in obtaining the required shipping agency licenses. To overcome these hurdles, several opted to secure a Sea Transportation Business License (*Surat Izin Usaha Perusahaan Angkutan Laut* or “**SIUPAL**”), which also covered shipping agency activities.

¹ Article 346A paragraph (3) of 2024 Maritime Law.

With the enactment of the new Maritime Law, particularly the restrictive provisions under Articles 29A and 158A, some foreign companies are now reassessing their structure. Since, in practice, they only conduct shipping agency business, these companies are evaluating the option of converting their SIUPAL into a Commercial Sea Transportation Business License (*Izin Usaha Jasa Transportasi Laut / "IUJT"*) which specifically covers shipping agency activities. This approach is seen as a way to comply with the new law and avoid unnecessary exposure to the more stringent joint venture requirements.

The legal landscape for shipping agency activities, however, remains somewhat unsettled. Much of the uncertainty arises from the interpretation of Article 72 of Ministry of Transportation Regulation No. 59 of 2021 ("**MOT Reg 59/2021**"), which divides shipping agency services into operational and commercial activities.² Operational shipping agency work covers functions such as vessel reporting, document submission, port service handling, and bunkering,³ while commercial shipping agency work involves activities like cargo planning, space booking, and marketing on behalf of ship owners.⁴

The regulation allows operational shipping agency services to be conducted by a "national" shipping agency company or a "national" shipping company. Commercial services, meanwhile, may be carried out by a "national" shipping company or by a "national" ship agency company in partnership with a "national" shipping company under a micro, small, and medium enterprise partnership scheme. The problem lies in the fact that the regulation does not define the term "national." This omission has led to diverging interpretations: some view it as excluding any foreign ownership, while others read it in harmony with the Omnibus Law and the Positive Investment List, both of which open the shipping agency business to foreign participation.

Based on our informal discussions with the Ministry of Transportation, the regulation was originally designed to encourage local participation. However, after the Omnibus Law came into effect, the shipping agency business was liberalized, allowing foreign investment under the general investment rules. This means that, in principle, foreign-invested companies may operate in the shipping agency business in Indonesia, provided that they comply with the applicable investment regulations.

The Homework Ahead

Each stakeholder has its own set of "homework" as the new Maritime Law prepares to take full effect. For the government, the main task is to finalize and issue implementing regulations that will provide the necessary clarity and certainty for the law's practical application. These regulations are expected to cover licensing procedures, classification of business activities, shipping agency operations, and compliance obligations. As of now, the industry is still awaiting these implementing regulations, which will serve as the foundation for the new maritime regime.

For businesses, the priority is preparation. Companies should begin reviewing their current business practices, including corporate structures, shareholding compositions, and vessel ownership, to identify any adjustments required for compliance. Early preparation will help ensure a smooth transition and reduce potential disruption once the new requirements become enforceable.

Dentons HPRP stands ready to support our clients through this transition. We stand by to assist in interpreting the upcoming regulations, assessing their impact, and advise on the strategies to maintain competitiveness within Indonesia's evolving maritime landscape. As Indonesia sails toward this new maritime era, proactive compliance and strategic restructuring will be key to remaining afloat and ahead when the 2024 Maritime Law fully sets sail.

² Article 72 paragraph (1) of MOT Reg 59/2021.

³ Article 73 paragraph (1) of MOT Reg 59/2021.

⁴ Article 73 paragraph (2) of MOT Reg 59/2021.

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The article above was prepared by Dentons HPRP's lawyers.

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