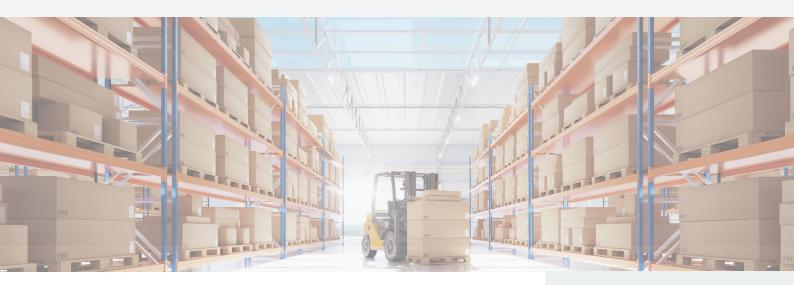


CLIENT ALERT

23 June 2025



Adapting to New Postal Regulations: A Compliance Guide for Postal Service Companies

In response to the strengthening of the postal, courier, and logistics ecosystem in Indonesia and to ensure fair business competition within the industry, the Ministry of Communication and Digital ("**MOCD**") has issued Regulation No. 8 of 2025 concerning Commercial Postal Services ("**New Regulation**"). This New Regulation is part of the government's efforts to ensure that postal services operated by all postal service providers ("**PSPs**") in Indonesia can adapt to the dynamics of the digital economy, while also ensuring the delivery of reliable, competitive, and consumer-oriented services.

Below are the important key takeaways from the New Regulation:

Expansion of Service Coverage: Efforts to Equalise Postal Access

One of the crucial points in this New Regulation is the obligation for PSPs offering written communication, parcel, and logistics services to have service coverage in at least 50% of the provinces in Indonesia. This provision is designed to promote equitable access to postal services across various regions while preventing the concentration of services only in commercially profitable areas.

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JI. Jenderal Sudirman Kav. 29-31 Jakarta Selatan 12920, Indonesia +62 21 5011 0920 Postal service providers must fulfil this expansion policy within the following timeframes:

- Within 18 months for postal service providers holding a postal service licence prior to the enactment of this New Regulation; and
- Within 12 months for postal service providers holding a postal service licence after the enactment of this New Regulation.

Infrastructure Sharing: Partnerships in the E-Commerce Ecosystem

The New Regulation also provides an opportunity for PSPs to establish partnerships with ecommerce companies ("**E-Commerce**"). The scope of this collaboration is not limited to the delivery of goods but also includes fulfilment systems, warehouse management, payment system integration, and information technology infrastructure.

However, this cooperation is strictly regulated since MOCD mandates the principles of transparency, fair treatment, and guarantees consumers the freedom to choose their PSPs. PSPs are also required to take full responsibility for the delivery of goods, including providing cash-ondelivery facilities if agreed upon. In the event of allegations of service quality decline or unfair competition, MOCD has the right to request a report on the cooperation between the PSPs and the E-Commerce.

Tariff Determination: Cost-Based Approach

Regarding the postal tariff, the New Regulation adopts a cost-based approach to determine the basic service cost, whereby the tariff for postal services must be calculated based on total operational costs plus a reasonable margin. The operational costs may include labour, transportation, applications and technology, as well as costs related to third-party collaborations. Additionally, the tariff formula may also include components for marketing costs (such as product promotion, new service launches, and market development) and administrative expenses. This calculation takes into account the projected demand for services during the current year.

MOCD may request a report and evaluate the tariff calculation from PSPs in the event of a decline in service quality, significant tariff changes, and/or indications of non-compliance in the tariff calculation application.

Revisions on Business Licensing Requirements

The New Regulation introduces changes to the business licensing requirements compared to the previous regulation, among others:

- provide a document outlining the organizational structure as proof that the board of directors, management, and/or legal entity are not listed in the blacklist of PSP; and
- · comply with licensing fee payment requirements.

The minimum business capital requirement of IDR 500,000,000 and the submission of a five-year business plan proposal—previously regulated under the old regulation — remain in effect under the New Regulation.



Service Standard for Commercial Postal Services

The New Regulation also introduces comprehensive service standards, where there are specific obligations and provisions for each service standard, as follows:

Service Standard	Compliance Keypoints
Certainty of service time	PSPs are required to set the delivery time for shipments made through service outlets and pickup points, which shall be published via postal service information systems.
Certainty of service costs	PSPs shall create and publish a list of service tariffs based on the type or product of the services offered.
Clarity of service procedures	 PSPs shall establish and a set of SOP containing procedures for service provision, service schedules, shipment tracking, emergency service procedures and personal data processing policies for users. PSPs shall develop SOPs for confidentiality that include at least: Prevention and handling of risks related to prohibited and/or special shipments; Prevention and handling of lost or stolen shipments entrusted to the provider; Prevention and handling of drug trafficking and other illicit substances; Procedures for handling prohibited or special shipments; Coordination with safety and security authorities at airports or seaports.
Service products	PSPs shall define service products derived from service types, delivery times, user segments, coverage, transportation modes, and tariffs included in the QR Code.
Human resource competency	PSPs shall employ human resources with competence in postal operations, as evidenced by competency certificates and/or other training related to postal services. PSPs shall provide basic training for employees at service outlets, delivery staff, and personal data protection.



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Human resource competency	PSPs shall employ human resources with competence in postal operations, as evidenced by competency certificates and/or other training related to postal services. PSPs shall provide basic training for employees at service outlets, delivery staff, and personal data protection.
Complaint, feedback, input and information handling	PSPs shall provide complaint handling services, including suggestions, feedback, and information management. PSPs shall respond to complaints regarding services within 1 business day from the receipt of the complaint.
Means, infrastructure, and/or facilities	PSPs shall provide facilities and infrastructure tailored to the services offered, including transportation facilities for the collection and pickup of consignments and weighing equipment that complies with the Indonesian National Standard (SNI) and has been officially calibrated.
Guarantee of compensation for delays, losses, non- conformity of service and damage proven to be the result of negligence and error of the postal provider	PSPs shall provide compensation to users up to 10 (ten) times the shipping cost, except for insured shipments.

Price Discounts as a Business Strategy: Can Price Discount Restrictions Create Barriers to the Free Shipping Strategy Implemented by E-Commerce?

To maintain a fair business competition among commercial PSPs, the New Regulation specifically regulates the implementation of price discounts that can be applied by commercial PSPs as part of their business strategy, with the following provisions:

- if the service tariffs after the discount are still above or equal to the basic service cost, the discount can be applied throughout the year.
- if the service tariffs after the discount are below the basic service cost, the discount may only be applied for a maximum of 3 (three) days in one month.

Nevertheless, it is important to emphasise that the scope of regulation in the New Regulation pertains to the service tariffs set by the PSPs, including the tariffs offered to E-Commerce as business partners. Therefore, this regulation does not directly govern or restrict marketing strategies implemented by E-Commerce to end consumers, such as free shipping programs. It should be noted that in some cases, the free shipping scheme offered by E-Commerce to end consumers is generally part of the marketing strategy carried out independently by E-Commerce, including through internal subsidy mechanisms, and is not derived from price discounts or tariff reductions provided by the PSPs.





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