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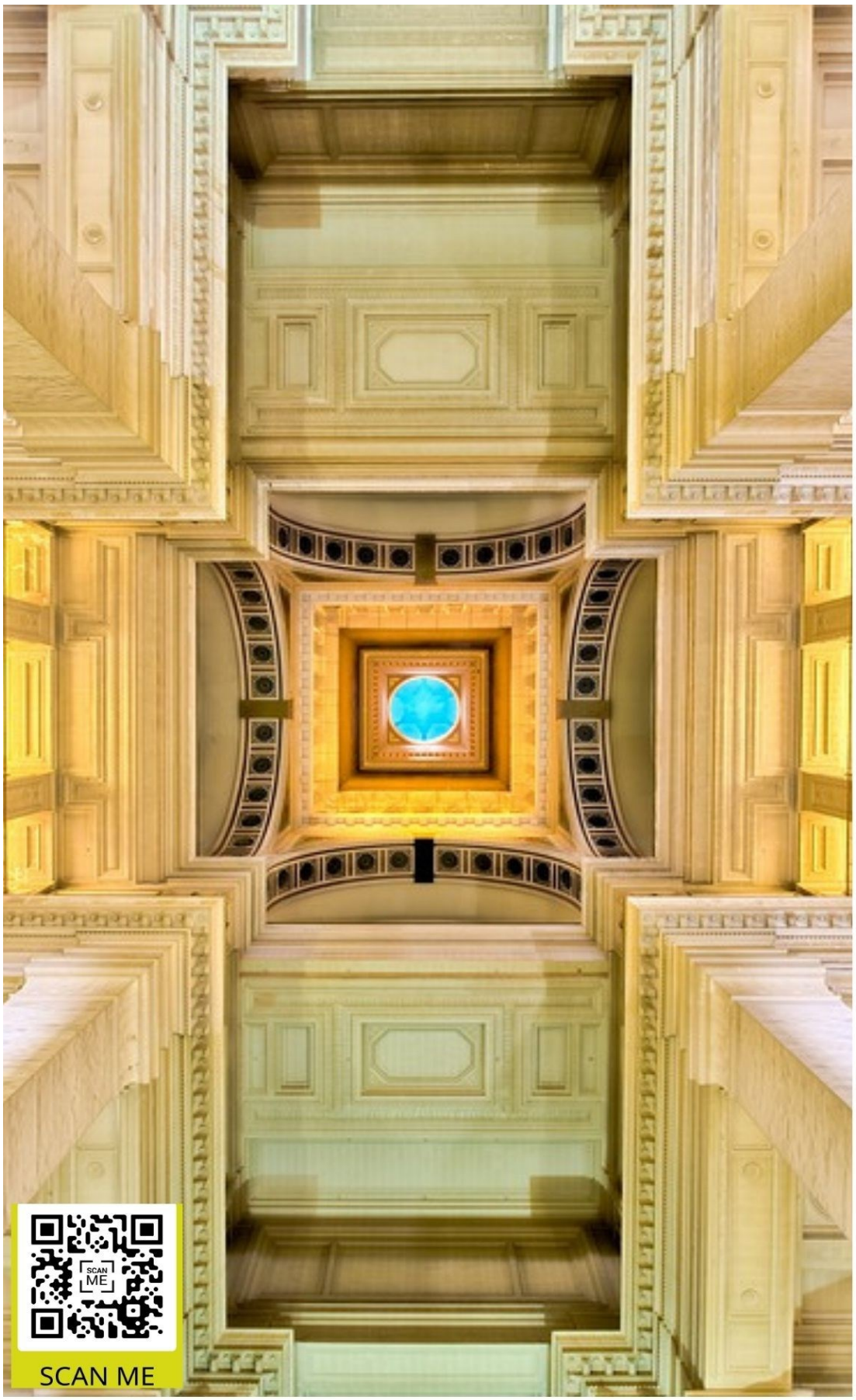

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Criminal Law Enforcement Corruption Against State-Owned Enterprises After The Enactment of The SOE Law In 2025

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Abstract

General Background: State-Owned Enterprises (SOEs) play a strategic role in Indonesia's welfare-state framework but remain highly vulnerable to corruption, particularly due to long-standing ambiguities in the legal status of SOE assets. **Specific Background:** The enactment of Law No. 1 of 2025 and Law No. 16 of 2025 fundamentally redefines SOEs as pure corporate entities by separating SOE assets from state finances and adopting the Business Judgment Rule (BJR). **Knowledge Gap:** Despite these reforms, there is limited scholarly clarity on how corruption law enforcement should be applied to SOEs after 2025, especially in distinguishing business risk from criminal abuse of authority. **Aims:** This study analyzes the direction and implications of corruption law enforcement against SOEs following the 2025 SOE Law. **Results:** Using a normative legal method and case-based analysis of the LPEI, PT BRI, and PT Perindo cases, the study finds that SOE accountability may shift to the public domain when losses arise from conflicts of interest or abuse of authority, thereby nullifying BJR protection. **Novelty:** This research is among the first to systematically examine corruption enforcement under the post-2025 SOE legal regime using recent cases. **Implications:** The findings emphasize the need for clear enforcement guidelines to prevent the misuse of BJR while ensuring legal certainty and effective anti-corruption measures in SOEs.

Highlights:

- Asset Separation: SOE assets are legally distinguished from state finances, altering the basis for determining public financial loss.
- BJR Limitation: The Business Judgment Rule protects good-faith decisions but does not apply where conflicts of interest or abuse of authority exist.
- Enforcement Direction: Corruption law remains applicable to SOEs when corporate governance failures shift accountability to the public domain.

Keywords: State-Owned Enterprises, Corruption Law Enforcement, Business Judgment Rule, Corporate Accountability, Legal Reform

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Introduction

The state's ideals are contained in the fourth paragraph of the Preamble to the 1945 Constitution (1945 Constitution), that is protecting the entire nation, advancing public welfare, and educating the nation's life. This provision mandates the state's responsibility for the welfare of its people. This is in line with the concept of the welfare state, which is a state that uses political and administrative power to ensure the welfare of its people, including the provision of a minimum income, protection from various social risks such as illness, retirement age risks, and unemployment, as well as the provision of decent social services regardless of status or class [1]. Therefore, countries that adhere to the welfare state concept will prioritize services, protection, and prevention of social problems in their policies. As part of this responsibility, the state is authorized to regulate the national economy as stated in Article 33 of the 1945 Constitution. The state has the authority to control the vital branches of production that are essential to the people's livelihood and the natural resources that are used for the prosperity of the people as much as possible.

Practically, the state established State-Owned Enterprises (SOEs) as an extension of the state in the economic sector through Law Number 19 of 2003 concerning State-Owned Enterprises (SOE Law). This arrangement was enacted after the reform and revoked of Law Number 19/Prp/1960 concerning State Companies that previously regulated state-owned enterprises at the beginning of independence [2] . SOEs have two main functions, namely social functions and commercial functions. The social function is performed by SOEs in providing goods and services needed by the community with adequate quality and availability, while commercial function refers to efforts to obtain profits optimally. Although designed to support the national economy, SOEs are often faced with integrity and accountability issues. SOEs are one of the sectors most vulnerable to corruption. According to data from Indonesia Corruption Watch (ICW) from 2016 to 2023, 212 corruption cases have been handled, with an estimated state loss of around IDR 64 trilion [3]. Especially in the period from 2016 to 2021, there were 119 cases of corruption with state losses reaching IDR 47.9 trillion. This includes the value of bribes and money-laundering crimes amounting to IDR 106.9 billion and IDR 57.86 billion [4].

Referring to the Indonesian Dictionary, the term 'corruption' is the misappropriation or misuse of state wealth for personal or other people's interests. Furthermore, according to Haryatmoko, corruption involves abusing authority or positional advantages, such as the misuse of information, decisions, influence, money and/or wealth for the benefit and profit of one's own party [5]. The regulation of corruption crimes is regulated in Law No. 31 of 1999 concerning the Eradication of Corruption which was later revised by Law No. 20 of 2001 (Corruption Law). When prosecuting corruption cases in SOEs, the provisions of articles 2 and 3 of the Corruption Law are commonly used, because both articles contain elements of "causing state financial loss" or "causing the state economic loss". The wealth of SOEs is not explicitly regulated in the SOE Law. However, it is often considered as state wealth because SOEs' capital comes from the state. Based on Article 1 paragraph (1) of the SOE Law, the capital of an SOE consists of state assets, either in full or in large part, that have been separated through direct state participation. However, in Law No. 17 of 2003 concerning State Finance (State Finance Law), the wealth that is separated from state companies/regional companies is categorized as state wealth. Also, there are inconsistencies in interpretations regarding the status of SOEs' wealth, as reflected in a number of Constitutional Court decisions that show no absolute clarity and consistency in the relevant regulation. Moreover, the normative approach in the State Finance Law remains the primary legal basis in understanding the wealth of SOEs as part of the state's wealth.

The inconsistency in the regulation of SOE property ownership was addressed by the enactment of Law No. 1 of 2025 and Law No. 16 of 2025, which are the third and fourth amendments to Law No. 19 of 2003 concerning State-Owned Enterprises. One important change introduced by the amendments is the redefinition of capital and asset status and the separation of SOE's wealth from state wealth. Under Article 4A paragraph (5), capital originating from the state is classified as SOE's wealth and falls under the SOE's responsibility. Furthermore, in Article 4B, the profit or loss incurred by SOEs is the profit or loss of SOEs. The regulation clarifies the status of SOEs' wealth as a separate asset from state wealth and emphasizes that all financial rights and responsibilities lie with SOEs themselves. This paradigm shift positions SOEs as pure corporate entities that are subject to the principles of corporate law. Accordingly, every financial action, including the use and management of assets and liabilities for losses and profits, is the sole and independent responsibility of the SOE.

The study discusses the implications of the Corruption Law for SOE regulation and practice following the 2025 SOE Law. This research adopts a case-based approach, namely the Indonesian Export Financing Institution (LPEI) corruption case, the procurement of EDC corruption case at PT BRI, and the fictitious fish purchase case at PT Perindo. As for the LPEI case, it is alleged that there was a conflict of interest between the Director of LPEI and the Debtor, PT PE due to a prior agreement to facilitate credit approval. It is suspected that PT PE falsified purchase orders and submitted disbursement documents that did not reflect actual conditions. The credit facility provided by LPEI to PT PE resulted in state financial losses with outstanding principal of KMKE 1 and KMKE 2 reaching IDR 891.305 billion. Similarly, PT BRI was also implicated in a corruption case in 2020-2024 EDC procurement project. The EDC procurement is suspected by the Corruption Eradication Commission (KPK) that only PT Pasifik Cipta Solusi (PCS) and PT BRI IT went through compatibility testing (POC) and the estimated price (HPS) allegedly have been plotted to favor PT PCS, BRI IT, and PT PV. This case is estimated to have caused state financial losses of IDR 744.5 billion from the procurement budget of IDR 2.1 trillion. The corruption case at PT Perindo in 2023 - 2024 began with a fictitious Purchase Order (PO) for the purchase of skipjack fish and baby tuna from PT GEM. After receiving payment of IDR 1.78 billion, the order was never delivered by PT GEM. To conceal this, the suspects made a fictitious PO on behalf of PT NNN with a claim to deliver skipjack fish worth IDR 2.04 billion, although PT NNN only paid IDR 825 million. A third fictitious PO was later issued on behalf of PT UDK for the procurement of skipjack and tuna, which is estimated to have caused additional state financial losses of IDR 3 billion. According to the issues described above, this research examines the Law Enforcement of Corruption Crimes against State-Owned Enterprises after the Enactment of the SOE Law in 2025.

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There are several studies that discuss corruption law in SOEs. A study conducted by Zul Afiatul Kharisma, Brian Bagus Wiyan Putra, and Melasari Nurul Hidayah is titled Accountability Model for Corruption Crimes by State-Owned Enterprises as Corporations: Between Corporate Responsibility and Management [6]. This study also questions the inconsistency of the law in regulating SOE assets ownership and examines the application of criminal fines for SOEs, which they consider irrelevant. This study still relies on Law No. 19 of 2003 concerning SOEs, while my research relies on Law No. 1 of 2025 and Law No. 16 of 2025, which are the third and fourth amendments to the SOE Law. Furthermore, the research conducted by Firwanda Sandi Pradipta and Ermania Widjajanti entitled Criminal Law Reform on Corruption in SOE Management after the Revision of Law No. 1 of 2025 discusses regulatory reforms in SOEs and the implications of the shift in the status of SOE managers to non-state administrators [7]. This research is similar in that it discusses the reform of SOEs based on Law No. 1 of 2025, but it differs from my research because my research is based on both changes in SOE regulations in 2025 and focuses on the implications of corruption law enforcement after the 2025 SOE Law, supported by a case based approach. Moreover, in the research conducted by Mas Putra Zenno Januarsyah, Dwidja Priyatno, Agung Sujati Winata, and Khairul Hidayat entitled The Application of the Business Judgment Rule Doctrine in the Corruption Case of Karen Agustiawan discusses the inconsistencies in the legal framework regulating SOE assets and the importance of applying the BJR doctrine in handling corruption cases involving SOE management [8]. This study still uses Law No. 19 of 2003 concerning SOEs, while my research is based on the 2025 SOE regulations.

Method

This research uses a normative legal research method by analyzing relevant laws, regulations, and legal principles, both written and unwritten. The approaches used in this study are the statute approach, the conceptual approach, and the case approach. The statute approach is implemented through an analysis of regulations that pertain to the issues being explored [9], the case approach is applied by presenting relevant cases to illustrate how legal norms influence law enforcement practices, and the conceptual approach comes from the views and doctrines that have developed in legal scholarship [10]. Within normative legal research, the common method of data collection is library research. Library research involves the study of written legal information derived from various published sources and is essential in normative legal studies [11]. This research then employs content analysis techniques consisting of stages of inventory, identification, classification, and systematization. Systematization is carried out to avoid contradictions between one legal material and another.

Results and Discussion

A. How is the Corruption Law Applied to SOEs After the Enactment of the 2025 SOE Law?

State-Owned Enterprises Law No. 16 of 2025 is the fourth amendment to the SOE Law. The original Law No. 19 of 2003 was first amended by Law No. 6 of 2023 on Job Creation and then again by Law No. 1 of 2025 as the third amendment. The 2025 amendments introduced through these two laws have had a significant impact on the legal framework of SOEs. The changes include transforming SOEs into pure corporations, redefining SOE capital and assets, adjusting the supervisory mechanism to rely mainly on public accountants, and establishing Daya Anagata Nusantara (Danantara) as the institution managing SOE investments.

Prior to Law No. 1 of 2025, the status of SOE assets was a subject of debate due to inconsistencies in the norms governing SOE asset ownership. Based on Article 1 paragraph 1 of Law No. 19 of 2003, SOE capital comes from direct contributions through state assets that have been separated. If this norm is interpreted, state assets contributed as SOE capital are no longer the property of the state but become the assets of the SOE itself [12]. However, Article 2 (g) of Law No. 17 of 2003 concerning State Finances states that state assets separated in state-owned companies or regional companies are still included as state finances. Moreover, different interpretations of SOE asset ownership also appear in the jurisprudence of the Constitutional Court. Decision No. 77/PUU-IX/2011, which revoked the authority of the State Receivables Committee (PUPN) in settling SOE and regional-owned enterprise debts, considered that capital contributed by the state through direct participation came from separated state assets and therefore corporate mechanisms applied [13]. Meanwhile, Decisions No. 48/PUU-XI/2013 and No. 62/PUU-XI/2013 affirm that state assets sourced from state finances and separated from the state budget for capital participation in SOEs continue to fall under the state finance regime [14]. These differing norms on SOE asset ownership have created legal uncertainty. Within corruption law enforcement, the handling of cases has depended on the interpretation adopted by each law enforcement agency.

The enactment of Law No. 1 of 2025 maintains the position of the old SOE Law, namely that state assets separated for SOE capital then become the property of the SOEs themselves. Article 4 paragraph (2) states that SOE capital becomes part of SOE finances, and the governance of SOEs follows the principles of good corporate governance. Furthermore, Article 4A paragraph (5) states that state capital participation, both in the establishment of SOEs and in its alterations, is under the ownership and responsibility of SOEs. These provisions show the separation between state assets and SOE assets as well as the responsibility of the state and the responsibility of SOEs. This is similar to an independent legal personality that distinguishes the legal identity from its shareholders and management [15]. Thus, shareholders, board members, and commissioners have limited liability [16]. The legal consequences attached to SOEs after the 2025 SOE Law make SOEs more like pure corporations [17]. This change greatly affects corruption law enforcement because previously, any loss incurred by a SOE was automatically considered as state financial loss. However, with the separation of state assets and SOE assets, further proof is required to determine whether the loss is limited to the SOE as a corporation or actually causes a loss to state finances.

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Within Law No. 1 of 2025 also adopts the doctrine of Business Judgment Rule (BJR) . The concept of the BJR doctrine is that the directors of a company cannot be held legally liable for decisions that result in losses to the company, as long as they are made in good faith, in a proper manner, on rational grounds, and with due care [18]. This provision is stated in Article 9F, which essentially states that members of the Board of Directors, Board of Commissioners, or Supervisory Board (hereinafter referred to as SOE management) are not subject to responsibility for any losses if they can prove that:

1. For Members of the Board of Directors

The loss was not caused by error or negligence, was made in good faith and with appropriate diligence, the loss was not caused by a conflict of interest, and efforts were made to prevent the loss from occurring or continuing.

2. For Members of the Board of Commissioners or Supervisory Board

They exercised supervision in good faith and with due care, there was no conflict of interest in the management of the board of directors that caused the loss, and they made efforts to provide recommendations to the board of directors intended to prevent the loss from happening or escalating.

Essentially, the accountability of directors to their corporation is an obligation or duty inherent in their function and position, as well as in the legal relationship between the corporation and its directors. These obligations and legal relationships are known as fiduciary duties, including: (a) duty of care and diligence; (b) duty of skill; (c) duty to be attentive; (d) business judgment rule, whereby a director's actions should be the product of reasonable investigation and consideration, and a director's decisions should embody a rational basis for action [19].

If SOE directors can prove all the elements in Article 9F, then the losses incurred are considered purely the risk of business decisions. However, if SOE directors cannot prove these elements, then the BJR protection for directors is nullified. As a result, the separation of responsibilities inherent in SOEs as legal entities and their directors can be breached. Thus, the directors of SOEs can be held legally liable. The liability of SOE directors can shift to the criminal liability (public law) because an act can be considered a criminal offense if it fulfills two elements, an act prohibited by criminal law (actus reus) and fault (schuld) [20]. Furthermore, fault consists of intent (dolus) and negligence (culpa), and determining between the two depends on the presence of criminal intent (mens rea). Criminal intent (mens rea) arising from a conflict of interest makes SOE management liable to criminal prosecution under Article 3 of the Corruption Law concerning abuse of authority causing state losses. Regarding the application of Articles 2 and 3 of the Corruption Law, the losses incurred must first be proven whether the management was carried out in good faith or contained abuse of authority. This shows that the adoption of the BJR doctrine provides protection for SOE managers who are acting in good faith when making risky business decisions from a criminalization.

It should be noted that several provisions in the Corruption Law will be repealed by Law Number 1 of 2023 (the new Criminal Code), which will come into effect on January 2, 2026. These provisions include Article 2 paragraph (1) replaced by Article 603, Article 3 replaced by 604, Article 5 replaced by 605, Article 11 replaced by 606 paragraph (2), and Article 13 replaced by 606 paragraph (1). Articles 2 and 3 of the Corruption Law are now formulated as material offenses, whereas they were previously formal offenses. Constitutional Court Decision No. 25/PUU-XIV/2016 states that the term “may” contained in Articles 2 and 3 of the Corruption Law was inconsistent with the 1945 Constitution and therefore no longer held binding legal effect [21], so the formulation in the new Criminal Code is a form of compliance with Constitutional Court Decision No. 25/PUU-XIV/2016. Moreover, the new Criminal Code removes the death penalty stipulated in Article 2 paragraph (2) of the Corruption Law and expands the scope of fines. Therefore, the new Criminal Code requires concrete evidence of state financial loss . Its application in SOEs can take the form of audit results and decisions by the Financial Supervisory Agency (BPK), so that it no longer relies on potential state financial losses caused by a business decision.

To detect losses in SOEs, financial reports can be reviewed as stipulated in Article 71 of Law No. 16 of 2025, namely that annual financial reports are audited by public accountants appointed by the GMS for Persero and the Minister for Perum, and the Audit Board is authorized to audit SOEs as authorized under legislation approved by Parliament. The relevant laws are Law No. 15 of 2006 concerning the Audit Board (BPK Law) and Law No. 15 of 2004 concerning the Audit of State Financial Management and Accountability (P2TKN Law). Based on Article 6 of the BPK Law, the BPK is mandated to audit the management and accountability of state finances in SOEs, and if the audit is conducted through a public accountant, the audit report shall be submitted to the BPK and published. Furthermore, Article 10 of the BPK Law also evaluates and determines the amount of state losses resulting from unlawful conduct or negligence within SOEs. Moreover, the BPK also has a supervisory role in the implementation of compensation payments, both at the SOE management level and in the implementation of court decisions. The audit of state financial management and accountability by the BPK consists of financial audits, performance audits, and audits with specific objectives as stated in Article 4 of the P2TKN Law. Article 13 of the P2TKN Law stipulates that the BPK is authorized to perform investigative audits in order to uncover potential state/regional financial losses or criminal elements.

Despite the amendment to the SOE Law, which emphasizes the separation of SOE capital and assets from state finances, the BPK still has the authority to audit the management and responsibility over state financial finances in SOEs. This is based on the initial capital of SOEs, which are state assets that have been separated and the purpose of establishing SOEs, namely for the benefit of the community and to pursue profits. Through this change, SOEs have indeed adopted the principle of pure corporations, but the accountability of SOEs remains under public supervision, namely through the supervision of the BPK.

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B. What is the Direction of Corruption Law Enforcement in Prosecuting Corruption in SOEs?

Having previously discussed the normative impact of the renewal of SOE regulations in the context of corruption law enforcement, it is important to understand its implementation. This research will discuss the direction of corruption law enforcement towards SOE management supported by a case based approach. The cases analyzed in this research are still in the legal process, as they only came to light after the enactment of Law No. 1 of 2025. This analysis is not intended to preempt the ongoing legal process, but is purely for academic purposes. This research aims for understanding the application of corruption laws to SOE management in accordance with the provisions of the Corruption Law and the amendments to the SOE Law. The cases used are the LPEI corruption case, the EDC procurement corruption case at PT BRI, and the corruption case at PT Perindo.

The first case is the corruption case involving LPEI and PT PE. The initial allegation originated from an investigative report by the BPK that there were indications of criminal violations in national export financing between LPEI and the debtor, with an estimated loss to the state of IDR 81 billion. As the investigation progressed, the estimated state financial loss increased to IDR 891.305 billion [22]. There were allegations of a conflict of interest between the Director of LPEI and the debtor PT PE, which facilitated the process of granting credit facilities. The purchase order and other documents, which were the basis for the disbursement of the facilities, were allegedly falsified by PT PE because they did not correspond to the actual conditions. The KPK named the Managing Director of LPEI, the President Commissioner of PT PE, and the President Director of PT PE as suspects in the alleged corruption case involving LPEI for granting credit facilities to PT PE [23].

The second case is a corruption case related to the procurement of EDC machines at PT BRI. During 2020-2024, the procurement of EDC machines was carried out by PT. PCS and PT BRI IT. This procurement was carried out using an outright purchase scheme and a lease scheme with a total budget of Rp2.1 trillion [24]. The KPK named the Deputy Director of BRI for 2019-2024, the Director of Digital, Information Technology and Operations of BRI for 2020-2021, the SEVP of Asset Management and Procurement of BRI for 2020, the President Director of PT PCS, and the President Director of PT BRI IT as suspects in this case. The KPK suspects that there was manipulation in the EDC machine procurement process , as only PT PCS and PT BRI IT passed the feasibility test and estimated price (HPS) that had been set. Due to this manipulation, the initial estimated loss to the state is estimated at Rp744 billion. Additionally, as a reward for winning the project, the Deputy President Director of BRI for 2019–2024 is suspected of receiving Rp525 million from the President Director of PT PCS.

The third corruption case involving PT Perindo's and PT SRBLI in 2023-2024. PT Perindo Surabaya allegedly received fictitious purchase orders (POs) from PT GEM (a front company) and falsified a number of documents for administrative purposes at its headquarters. Afterwards, a payment of IDR 1.7 billion was made, even though the fish was never delivered. The same scheme was repeated a second time with PT NNN (a front company) accompanied by document falsification, this time with a bill of IDR 2.04 billion and PT Perindo only making a payment of Rp825 million. This modus operandi was repeated a third time with PT UDK (a front company) and the total bill was IDR 1.8 billion, but PT Perindo only paid Rp25 million. Based on the results of the investigation so far, it is estimated to have caused state financial losses amounting to Rp3 billion. For this incident, the Head of the Surabaya Perindo Unit and the Director of PT SRBLI were named as suspects by the Tanjung Perak District Attorney's Office.

Currently, state-owned enterprises adhere to the principle of pure corporate. As previously outlined, this update emphasizes the separation of SOE assets from state assets, and that SOE profits/losses are the profits/losses of the SOE itself. Unlike pure corporations, SOE accountability remains in the public domain because the capital comes from separated state assets. Therefore, SOE managers can still be charged with offenses regulated in the Corruption Law, including state financial loss, embezzlement in office, extortion, fraud, conflict of interest in procurement, bribery, and gratification [25]. Furthermore, the status of SOE management and employees is maintained as state administrators in Law Number 16 of 2025, whereas Law Number 1 of 2025 previously stated that SOE management and employees were non-state administrators. Therefore, in practice, SOE management and employees can still be handled by the KPK in accordance with the KPK's authority as stipulated in Article 11 paragraph (1) of Law Number 19 of 2019 concerning the Corruption Eradication Commission (KPK Law).

The revision of the SOE Law adopts the BJR doctrine, which protects SOE management in the performance of their duties. They cannot be held liable for losses if they can prove that the losses were not caused by their mistakes/negligence, were carried out in good faith and with due care, there was no conflict of interest, and they had made efforts to prevent the losses from occurring. Within the cases of corruption at LPEI, PT BRI, and PT Perindo, there was evidence of falsification of documents for the disbursement of LPEI credit facilities, manipulation of the procurement process for BRI EDC machines, and a fictitious scheme for the repeated purchase of fish by PT Perindo. This meant that the BJR elements were not fulfilled, so the relevant management could be held legally accountable.

Several provisions of the Corruption Law are often used in handling corruption cases in SOEs, including Article 2 and Article 3 concerning abuse of authority resulting in state financial losses, Article 5 concerning bribery, and Articles 11, 12(a), 12(b), 12B, and 13 concerning gratuities. The common elements of these articles are the exercise of official authority, state administrators, and civil servants, which are the main reasons why these provisions are often used, as they are relevant to the position of SOE management. Starting January 2, 2026, the provisions on state financial losses (Articles 2 and 3), bribery (Article 5), and gratuities (Articles 11 and 13) in the Corruption Law will be revoked by the new Criminal Code. The formulation of the elements of criminal acts of corruption remains substantively unchanged in the new Criminal Code, while the criminal penalties have been adjusted in the form of an extension of prison terms and fines.

Within the corruption case at PT LPEI involving PT PE, there was an alleged conflict of interest between the Director of LPEI

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and the debtor PT PE, which facilitated the process of granting credit facilities. The suspects in this case can be charged under Articles 2 and 3 of the Corruption Law for causing state financial losses and abuse of authority in the exercise of their official duties. The state financial losses are based on an investigative report by the BPK which indicates irregularities in export financing with estimated state financial losses reaching IDR 81 billion. This case also highlights the alleged conflict of interest between the Managing Director of LPEI, the President Commissioner of PT PE, and the President Director of PT PE. Therefore, it is reasonable to suspect that bribery has occurred as stipulated in Article 5 of the Corruption Law.

Furthermore, in the alleged corruption case in the procurement of EDC machines at PT BRI by PT PCS and PT BRI IT, Articles 2 and 3 of the Corruption Law can be applied. This is because there was an abuse of authority (manipulation during the procurement process) which resulted in state financial losses. Furthermore, the management of PT BRI who have been named as suspects in this case can be charged under Article 12 (i) of the Corruption Law concerning civil servants/state administrators who participate in contracting, procurement, or leasing carried out in the course of their duties or under their supervision. The procurement of goods and services sector is one of the most vulnerable sectors for corruption [26]. Within corruption related to the procurement of goods and services, officials can be bribed to win certain tenders in competitive bidding and to increase payment prices that are actually unnecessary while also receiving a share for themselves [27]. As for this case, it was also revealed that the Deputy Director of PT BRI for 2019-2024 received a reward for winning the tender from the Director of PT PCS in the amount of IDR 525 million, which indicates that the gratification was received after a series of manipulations in the procurement of EDC machines. Therefore, the Deputy Director of PT BRI for 2019–2024 can be charged under Article 12 (b) of the Corruption Law concerning gratuities given after a civil servant/state administrator does something/does not do something that is contrary to their obligations.

Furthermore, the allegations of corruption involving PT Perindo's and PT SRBLI in 2023-2024 relate to the purchase of fictitious fish. The fictitious fish purchase scheme is suspected to have been conducted three times with PT GEM, PT NNN, and PT UDK, which are front companies for PT SRBLI. Unlike the two previous cases, the Tanjung Perak District Attorney's Office suspects that the Head of the Surabaya PT Perindo Unit and the Director of PT SRBLI, violated Article 2 Paragraph (1) juncto Article 18 or Article 3 juncto Article 18 of the Corruption Law, juncto Article 55 Paragraph (1) of the Criminal Code. The alleged violations of Articles 2 and 3 of the Corruption Law arise from unlawful acts that enriched the perpetrators, other parties, or a corporation, as well as abuse of authority (fictitious fish purchase scheme) which resulted in state financial losses. Meanwhile, Article 18 of the Corruption Law concerns the confiscation of items used in and obtained from criminal acts of corruption, as well as the payment of compensation. To combat criminal acts of corruption, the aim is not only to deter corruptors but also to recover state financial losses resulting from criminal acts of corruption [28]. Article 55 of the Criminal Code concerns participation, namely criminal acts committed by two or more persons, with the roles in the offense of participation consisting of the perpetrator (pleger), the instigator (doenpleger), the accomplice (madepleger), and the abettor (uitlokker) [29]. The punishment for complicity depends on the defendant's guilt as proven in court [29].

Of the three cases analyzed, all are suspected of fulfilling the elements of Articles 2 and 3 of the Corruption Law concerning the state financial losses. The element of state financial loss is very important in the context of corruption in SOEs, especially after the reform of SOEs through Law Number 1 of 2025 and Law Number 16 of 2025, which separate state finances from SOE assets. Although SOE assets are separate from state finances, SOE accountability can shift to the public domain if there are indications of state financial losses and abuse of authority by SOE management. The adoption of the BJR doctrine is in line with the principles of good corporate governance as stipulated in Article 1A paragraph (1) of the 2025 SOE Law, and supports accountability in the management of SOEs. BJR can protect SOE management from criminalization for purely business decisions that cause losses, but it does not close the loophole in seeking accountability for business decisions that contain conflicts of interest. Therefore, it is important to emphasize the distinction between business risk and abuse of authority in law enforcement, so that BJR protection is not misused to obscure accountability for corruption in SOEs.

Conclusion

Reform of state-owned enterprises through Law No. 1 of 2025 and Law No. 16 of 2025 concerning the third and fourth amendment to Law No. 19 of 2003, confirms the separation of state assets deposited as SOE capital, thereby becoming the assets of the SOEs themselves. Moreover, it is also stipulated that the profits and losses of SOEs are the profits and losses of the SOEs themselves. This amendment addresses the legal uncertainty in interpreting the ownership of SOE assets and the status of SOE losses and state losses. Another important update is the adoption of the BJR doctrine, which functions as a filter between genuine business decisions and decisions arising from conflicts of interest or those not made with due care. If a decision that causes losses is due to a conflict of interest, the relevant management may be held criminally liable. For this context, such liability aligns with the Corruption Law, particularly Articles 2 and 3 concerning state financial losses. Thus, even though the reform emphasizes the principle of good corporate governance, the accountability of SOEs can shift to the public domain, given that SOE capital comes from separated state assets. Within the corruption case involving the disbursement of LPEI credit facilities, the procurement of BRI EDC machines, and the fictitious purchase of fish by PT Perindo, there are allegations of conflicts of interest and abuse of authority. These allegations remove the veil of BJR protection and make the relevant management liable for legal accountability.

The application of BJR is in line with the principles of good corporate governance and protects SOE management from criminalization, but it does not preclude the accountability for business decisions that involve conflicts of interest. It is important for law enforcement officials to understand the distinction between business risk and abuse of authority in enforcing corruption laws in SOEs. To support this, special technical guidelines should be established for investigators, auditors, supervisory boards, and judicial institutions to distinguish between purely business decisions and conflicts of

interest in order to protect SOE management who are acting in good faith and prevent the use of BJR as a shield for abuse of authority. As a result, the reformed SOE regulations can function optimally in preventing and prosecuting corruption within SOEs.

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