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KPPU awards damages for only the second time in its history: a significant case development

CLIENT UPDATE:

Competition & Antitrust

30 June 2026

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Overview

On 9 February 2026, the Indonesia Competition Commission (locally known as **KPPU**) decided a case concerning alleged violations of Articles 23 and 24 of Law 5 of 1999 (as amended) (**Competition Law**). These violations involve the misuse of confidential business information and concerted conduct aimed at disrupting a competitor's business operations (**Case**).

The Case is particularly noteworthy because KPPU exercised its authority under Article 47(2)(f) of the Competition Law to award damages to the reporting party. Since the Competition Law came into force more than 25 years ago, this is only the second known instance in which the KPPU has ordered damages to be paid to a reporting party, following a landmark case in 2007.¹

Background

The reporting party, PT Laboratorium Medio Pratama (**Claimant**) alleged that its former senior management had established and operated a competing business while still employed by the Claimant and had subsequently diverted the Claimant's business activities to competing entities.

The reported parties were:

1. PT Inti Surya Laboratorium (**PT ISL**), a company established by Herdanu Ridwan and Allen that operated in the same line as the Claimant;
2. Herdanu Ridwan (**Herdanu**), the Claimant's President Director, who held the Claimant's confidential information relating to the planning and development of each division within the Claimant, and later became a Director and shareholder of PT ISL; and
3. Allen, the Claimant's Senior Sales Manager, who held the Claimant's confidential information relating to business partners, and later became a Commissioner and shareholder of PT ISL.

(collectively, the **Reported Parties**)

According to KPPU's findings, Herdanu and Allen established PT ISL while they were employed by the Claimant. KPPU found that they subsequently transferred key elements of the Claimant's business to PT ISL, including customers, employees and operational assets, while also using confidential business information obtained through their positions at the Claimant.

KPPU further found that the Reported Parties failed to renew the Claimant's accreditation certification, transferred operational assets to PT ISL and represented to customers that the Claimant had effectively become PT ISL. As a result, the Claimant was unable to continue its business and suffered substantial financial losses.

KPPU's Findings

Violation of Article 23 – acquisition and use of competitor's confidential information

Article 23 of the Competition Law prohibits concerted conduct aimed at obtaining competitors' confidential information.

KPPU found that the Reported Parties has coordinated their actions to obtain, retain and use the Claimant's confidential business information for the benefit of PT ISL. Particular emphasis was placed on Herdanu's dual role within both the Claimant and PT ISL, which enabled him to access and use internal, confidential information, including customer lists and employee data, for PT ISL's operations.

KPPU considered that the use of confidential business information, combined with the transfer of operational assets and employees, formed part of a broader strategy to undermine the Claimant's

¹ [Aquarius v. Emi South East Asia Case](#)

competitive position. Accordingly, KPPU determined that these coordinated actions constitute collusion to exploit competitor's confidential business information, violating Article 23 of the Competition Law.

Violation of Article 24 – conspiracy to hinder a competitor's business activities

Article 24 of the Competition Law prohibits concerted conduct intended to impede a competitor's production, marketing or business activities.

KPPU found that the Reported Parties engaged in collusive conduct aimed at undermining the Claimant's business activities, which resulted in Claimant's inability to operate. KPPU identified the following coordinated actions:

1. diverting customers to PT ISL;
2. transferring employees from the Claimant to PT ISL;
3. taking over of the Claimant's operational assets; and
4. failing to renew the Claimant's certification.

According to KPPU, the above actions ultimately rendered the Claimant unable to continue its business operations and reduced the availability of services in the relevant market. KPPU therefore concluded that the Reported Parties had violated Article 24 of the Competition Law.

KPPU Decision

In addition to imposing administrative fines, KPPU also ordered the Reported Parties to:

- cease engaging in conduct involving the disclosure of the Claimant's confidential information that could result in unfair business competition practices, and return data or documents relating to the Claimant's customer and business activities; and
- compensate the Claimant for the following losses: (i) PT ISL: IDR3.26 billion; (ii) Herdanu: IDR1.95 billion; and (iii) Allen: IDR1.3 billion.

The Claimant originally sought damages amounting to IDR13.1 billion on the projected profit for the 2023-2025 period. However, KPPU considered that those projections were insufficiently substantiated. Instead, KPPU calculated damages based on losses incurred during the 2021-2022 period and awarded total compensation of approximately IDR 6.51 billion.

Key takeaways

The Case:

1. confirms that KPPU remains willing to exercise its authority under Article 47(2)(f) of the Competition Law to award compensation directly to injured parties, although such cases remain exceptionally rare.
2. demonstrates that competition law risk may arise not only from traditional cartel or dominance-related conduct, but also from the misuse of confidential business information, employee movements and coordinated actions that undermine a competitor's ability to operate effectively.
3. suggests that parties seeking damages before KPPU will need to present robust and well-supported evidence or actual loss. Although KPPU was prepared to award compensation, it substantially reduced the amount claimed due to inadequate supporting evidence.

More broadly, the Case serves as a reminder that businesses should implement appropriate safeguards to protect confidential information, manage employee departures and address potential conflicts of interest involving senior management. Failure to do so may expose companies and individuals to both competition law liability and significant consequences.

We will continue to monitor any developments in the Case and will issue further updates as new information becomes available.



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If you would like to discuss any aspect of this update, or your industry activities or plans, please feel free to contact us.



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