

Indonesia: The Government issues New Regulation on Royalty Management for Songs and/or Music

In brief

The Minister of Law of the Republic of Indonesia recently issued Minister Regulation No. 27 of 2025 ("**Regulation 27/2025**") as the implementing regulation of Government Regulation No. 56 of 2021 on the Management of Royalties for Copyrighted Songs and/or Music. The regulation came into effect on 7 August 2025.

This regulation addresses the appointment of the National Collective Management Organization (*Lembaga Manajemen Kolektif Nasional* – "LMKN") as the primary royalty administrator and sets out examples of commercial use of music in both analog and digital formats that are subject to royalty payment.

Key highlights

Royalty collection by the LMKN

According to Regulation 27/2025, all royalty collection for commercial use of music, which is broadly defined as provision of services for the use of songs and/or music that can be accessed by the public for the purposes of gaining economic benefit, will be carried out by LMKN. So, any person may use music for commercial purposes by applying for a license and paying royalties through LMKN.

The regulation provides examples of commercial music use subject to royalties in both digital and analog/physical settings, such as lodging (e.g., hotels, villas, apartments); food and beverage businesses (e.g., restaurants, cafes, food courts); entertainment venues (e.g., clubs, bars, karaoke); shopping centers and retail outlets; sports and fitness facilities (e.g., gym, billiards, ice skating rinks, bowling); beauty and wellness centers (e.g., spa centers and salons); transportation and terminals; tourist attractions and museums; offices and co-working spaces; cinemas; ringtones; television and radio; concerts, festivals, seminars, conferences, exhibitions, hospitals, training centers; provision of musical works and/or songs for public communication through formats including audio and video music players, video karaoke systems, and mobile disc jockey services, etc.

Regulation 27/2025 applies to digital commercial use for public services, including audio/video streaming and download, simulcast/webcast, video on-demand/OTT, online/web radio and live event streaming. The regulation also stipulates that LMKN may also enter into agreements with foreign digital platforms.

There have been disputes between local composers and performers recently about who should be responsible for the payment of royalties for public performing rights, particularly in the context of live events.

Questions have arisen as to whether performers or the businesses or event organizers hosting those events are liable for these payments. The implementation of Regulation 27/2025 has provided clarity on this matter, establishing that the obligation to pay royalties rests with the event organizer or business owner.

Distribution of royalty

LMKN may allocate up to 8% of the collected royalties for operational expenses. Unclaimed royalties are held for up to two years and may be used for music education, social programs and copyright awareness. According to Regulation 27/2025, LMKN will distribute collected royalties through the Collective Management Organization (*Lembaga Manajemen Kolektif* – "LMK"), to member composers or performers. For those who are not members of local LMKs, LMKN will distribute the royalties directly after completing the required verification process.

Both LMKN and LMKs are subject to annual audits and must submit financial reports to the Ministry of Law.

Recommended actions

Businesses that organize concerts and live musical performance events are required to make royalty payments directly to LMKN.

Businesses that have previously engaged with local LMKs regarding licensing arrangements for the use of music on their premises or platforms are advised to review those agreements. Given the issuance of Regulation 27/2025, responsibility for collecting royalties from users rests with LMKN. Continued monitoring of Regulation 27/2025 implementation is required because the regulation does not include guidelines for transferring contractual obligations from local LMKs to LMKN.

As the government is currently preparing amendments to the Copyright Law, we recommend that businesses continue monitoring for any additional guidelines regarding performing rights that may be introduced following the enactment of these amendments.

Contact Us



Daru Lukiantono

Senior Partner

daru.lukiantono@hhplawfirm.com



Wiku Anindito

Associate Partner

wiku.anindito@hhplawfirm.com

© 2025 HHP Law Firm. All rights reserved. In accordance with a common terminology used in professional service organizations, reference to a "partner" means a person who is a partner, or equivalent in such a law firm. Similarly reference to an "office" means the office of any such law firm. This may qualify as 'Attorney Advertising' requiring notice in some jurisdictions. Prior results do not guarantee a similar outcome

