Legal Update – Employment Matters & Compliance

A SHIFT IN LABOR INSPECTION PROCEDURES FOR COMPANIES

12 October 2026

For companies, employment compliance is not limited to having the right policies and documents in place. It also requires companies to regularly assess whether their day-to-day employment practices remain aligned with applicable requirements.

This becomes particularly relevant with the issuance of Minister of Manpower Regulation Number 11 of 2026 on Labor Inspection Procedures ("**MMR 11/2026**"). The regulation revokes Minister of Manpower Regulation Number 33 of 2016 on Labor Inspection Procedures, as amended. Under the new regulation, a self-assessment mechanism is introduced as part of the labor inspection process, giving companies a role in assessing their own compliance with employment requirements.

How Does the Self-Assessment Work?

Under MMR 11/2026, employers and worker representatives are required to assess compliance with employment requirements through a self-assessment mechanism. The self-assessment is conducted by completing an electronic checklist through SIAPkerja, a digital platform for employment-related services.

The results of the self-assessment are then verified by a Labor Inspector and reported to the head of the relevant Labor Inspection Unit. This verification provides a further review of the employer's self-assessment.

The self-assessment does not replace the role of Labor Inspectors in conducting labor inspections. Labor Inspectors retain their authority and duties to examine employers in accordance with the applicable provisions. Accordingly, companies that have completed a self-assessment may still be subject to a labor inspection.

How Are Labor Inspections Conducted?

MMR 11/2026 extends the maximum period for labor inspections to sixty (60) working days, from three (3) working days under the previous regulation. The longer period reflects the broader range of inspection methods, which include monitoring and surveillance, observation and assessment, requests for information and clarification, examination of employment-related documents, and/or verification of the company's self-assessment through SIAPkerja.

The methods used may vary depending on the type and needs of the inspection. This flexibility also applies to requests for information and clarification, which may be conducted online or in person, depending on the circumstances of the inspection.

How Do Labor Inspectors Address Non-Compliance?

Where a company is found to be in violation of employment requirements, Labor Inspectors may issue an Inspection Note and/or determine workers' rights, while administrative sanctions may follow in accordance with the applicable provisions. If the company does not comply with Inspection Note I, Inspection Note II will be issued. Non-compliance with Inspection Note II may lead the authorized head of the Labor Inspection Unit to recommend administrative sanctions to the competent authority or order an investigation.

Labor Inspectors may also take other actions within their authority, including sealing work equipment from operation, prohibiting or stopping work processes, stopping worker placement processes, and/or removing child workers from the workplace. In addition, they may remove foreign workers employed in violation of applicable laws from the workplace and prohibit the employer from employing them.

What Should Companies Pay Attention To?

Companies should consider taking the following steps in response to MMR 11/2026:

a. ensure readiness to complete the self-assessment through SIAPkerja, including coordinating with relevant worker representatives and assigning responsible personnel within the company;
b. keep employment documents and supporting records complete and up to date, so that the company is prepared for verification or other inspection activities; and
c. regularly review employment practices to identify any areas that may not be aligned with applicable requirements.

With this development, understanding the company's current level of compliance becomes increasingly important—not only when an inspection is conducted, but as part of the company's ongoing employment compliance efforts. Should you require further information or assistance regarding employment compliance and labor inspections, please feel free to contact our team.



Daniel Tampi
Managing Partner
+62 2125985130
+62 81280607094
daniel.tampi@clavislawfirm.id



Oliviani Yanto
Associate
+62 2125985130
+62 89625296921
oliviani.yanto@clavislawfirm.id

Disclaimer

This publication is prepared by Clavis Law Firm for general informational purposes only and does not constitute legal advice. It is intended to provide a high-level overview of the relevant legal and regulatory developments as of the date of publication and should not be relied upon as a substitute for specific legal advice.