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# Business Competition Law Enforcement by the Business Competition Supervisory Commission in Territorial Division Agreements

**Rommy Hardyansah[1], Didit Darmawan[1], Fayola Issalillah[1], Rafadi Khan Khayru[1], Rahayu Mardikaningsih[1]**

[1] Universitas Sunan Giri Surabaya, Indonesia

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**ABSTRACT**

The Business Competition Supervisory Commission (KPPU) serves as the primary institution responsible for enforcing competition law in Indonesia, established under Law Number 5 of 1999 concerning the Prohibition of Monopolistic Practices and Unfair Business Competition. This study aims to analyze the role of KPPU in exercising its law enforcement function, particularly in handling territorial division agreements among business actors. The research employs a normative juridical approach with analytical descriptive specifications, examining positive legal provisions governing business competition and KPPU's authority under Law Number 5 of 1999, KPPU Regulation Number 1 of 2014, and KPPU Regulation Number 2 of 2023. The findings reveal that KPPU possesses comprehensive authority encompassing investigative, examining, prosecutorial, adjudicative, and consultative functions. In enforcing Article 9 concerning territorial division agreements, KPPU applies the rule of reason approach, requiring concrete evidence and in-depth evaluation of the agreement's impact on competition. Sanctions for violations include administrative measures under Article 47 and criminal penalties under Article 48, with fines ranging from IDR 25 billion to IDR 100 billion or imprisonment substitution for up to six months. KPPU has also introduced an integrity pact mechanism for behavioral change under KPPU Regulation Number 2 of 2023, allowing business actors to voluntarily commit to canceling prohibited agreements and ceasing violative activities. Despite KPPU's extensive enforcement authority, execution of final and binding decisions remains under judicial purview as stipulated in Article 46 paragraph (2), requiring coordination between KPPU and district courts. The study concludes that strengthening institutional capacity, enhancing regulatory clarity in rule of reason application, expanding preventive supervision, and improving coordination with the judiciary are essential for optimizing KPPU's law enforcement function in maintaining fair business competition and protecting consumer welfare in Indonesia.

**Corresponding Author:**
Rommy Hardyansah
Universitas Sunan Giri Surabaya, Indonesia; dr.rommyhardyansah@gmail.com

## 1. INTRODUCTION

Fair business competition serves as the primary foundation for the creation of an efficient, innovative, and equitable economic climate. Fair competition encourages efficiency, innovation, and overall economic welfare. When business actors suspect discriminatory or detrimental behavior from their competitors, victims can claim damages based on competition law (Vidican, 2023). Optimal implementation of business competition supervision is crucial in maintaining market stability from harmful monopoly practices (Wibowo et al., 2023). Violations of business competition rules can be subject to criminal or administrative sanctions due to the economic losses inflicted by parties who break the law (Lukyanenko, 2024). The state plays a strategic role in maintaining the legislative system and ensuring the supremacy of law in the field of business competition.

The establishment of a business competition supervisory agency is a necessity in a healthy market economic system (Kararach, 2025). Indonesia has established the Business Competition Supervisory Commission as an independent institution tasked with overseeing and enforcing business competition law (Zulfadli et al., 2023). This institution possesses a multi-functional role and specialized expertise in handling business competition cases effectively. Its jurisdiction encompasses investigative, examination, prosecutorial, adjudicative, and consultative functions, granting it broad powers to maintain market equilibrium. The effectiveness of this law enforcement also serves as an important instrument in overseeing increasingly complex cross-border competition dynamics (Zulkarnain et al., 2024).

The establishment of a business competition supervisory agency is a necessity in a healthy market economic system (Kararach, 2025). Indonesia has established the Business Competition Supervisory Commission as an independent institution tasked with overseeing and enforcing business competition law (Zulfadli et al., 2023). This institution possesses a multi-functional role and specialized expertise in handling business competition cases effectively. Its jurisdiction encompasses investigative, examination, prosecutorial, adjudicative, and consultative functions, granting it broad powers to maintain market equilibrium.

The existence of a business competition supervisory agency is grounded in a strong legal mandate. This institution is a government body with the primary mission of preventing monopolistic practices and unfair business competition (Latif et al., 2023). Its responsibilities include supervision and law enforcement to prevent monopolistic practices, as well as efforts to enforce the laws prohibiting monopolies and unfair competition. With a solid legal foundation, this institution plays an active role in maintaining a healthy and fair business climate. A robust legal framework is necessary to protect small and medium enterprises from the adverse impacts of monopolistic practices (Indarto et al., 2023).

The primary tasks of the business competition supervisory agency encompass the evaluation of prohibited actions based on prohibited agreements, prohibited activities, and dominant positions. The agency also implements measures in accordance with its authority, provides recommendations and evaluations of government competition policies, prepares guidelines related to laws and regulations, and periodically reports its work results to the House of Representatives and the President (Simbolon, 2019). In addition, the agency is granted the authority to receive public complaints, examine and investigate alleged violations, and impose administrative sanctions on business actors who violate the rules. Comprehensive supervision now also includes the evaluation of digital marketplace platforms to prevent anti-competitive behavior (Jauhari et al., 2024).

Business competition law possesses unique characteristics that combine elements of law and economics, thereby requiring cross-disciplinary expertise in its enforcement. The handling of business competition cases cannot be conducted in ordinary district courts because it demands a deep understanding of economic theory, economic impact analysis, and other relevant topics. Commissioners equipped with backgrounds in law and economics serve as the key to ensuring that every case is analyzed objectively and scientifically in accordance with the objectives of fair competition law enforcement. Cross-functional collaboration and the application of strategic approaches assist business actors in adapting to continuously evolving market needs (Mardikaningsih & Essa, 2025).

One form of violation that receives serious attention in business competition law is market-sharing agreements. Such agreements refer to understandings among business actors to divide marketing territories, which have the potential to result in the exploitation of consumers due to the loss of the ability to compare goods, quality, and prices. Legal provisions strictly prohibit agreements aimed at dividing marketing territories or market allocation that may result in monopolistic practices or unfair business competition (Harahap, 2025). This prohibition applies a rule of reason approach, which demands an in-depth evaluation of the agreement's impact on business competition. Ownership transparency and information disclosure in closed companies help strengthen a clean and accountable business governance system (Setyastomo et al., 2024).

The rule of reason approach serves as an essential foundation in assessing whether a market-sharing agreement genuinely creates negative impacts on competition. This approach dictates that testing an action accused of violating competition law must take into account the surrounding conditions of the case to determine whether the action truly restricts competition unfairly (Hanni, 2019). Evidence demonstrating a tangible negative impact on competition or the harm caused by the action is required. This approach emphasizes the importance of contextual analysis and tangible proof of the resulting harm, ensuring that competition law enforcement can be carried out fairly and proportionally. Fair legal certainty also plays an important role in resolving various internal company disputes proportionally (Rahayu et al., 2024).

In law enforcement, the business competition supervisory agency possesses the authority to impose administrative sanctions for violations, including the cancellation of agreements that breach regulations. Criminal sanctions are also regulated with significant fine amounts or confinement as a form of serious law enforcement (Polontoh & Saputri, 2025). In addition, the agency introduces a behavior change integrity pact mechanism that allows business actors to propose behavioral change commitments by canceling prohibited agreements and halting violating activities. This mechanism aims to accelerate case resolution and encourage business actors' compliance with the principles of fair competition. Strict and consistent supervision is urgently required in strategic sectors such as natural resource management to prevent widespread economic losses (Shahab et al., 2024).

Based on this description, this study aims to analyze the role of the business competition supervisory agency in carrying out its law enforcement functions, particularly in handling market-sharing agreements by business actors. This study also examines the applied law enforcement mechanisms as well as the effectiveness of various sanction instruments and behavioral change approaches in encouraging business actors' compliance with the principles of fair competition. Consequently, this study is expected to contribute insights toward strengthening the business competition law enforcement system in Indonesia.

## 2. METHODS

This study employs a normative juridical approach with an analytical descriptive research specification. The normative juridical approach was selected because the research focuses on analyzing positive legal provisions governing business competition as well as the role of the Business Competition Supervisory Commission (KPPU) in enforcing competition law. This study examines legal norms contained in Law Number 5 of 1999 concerning the Prohibition of Monopolistic Practices and Unfair Business Competition, KPPU Regulation Number 1 of 2014 concerning the Organization and Work Procedures of the KPPU, and KPPU Regulation Number 2 of 2023 concerning Procedures for Handling Cases of Monopolistic Practices and Unfair Business Competition.

The type of data used is secondary data obtained from primary and secondary legal materials. Primary legal materials consist of laws and regulations governing business competition and the authority of the KPPU, including Law Number 5 of 1999, Presidential Decree Number 75 of 1999, and related implementing regulations. Secondary legal materials encompass scholarly literature, law journals, scientific articles, and previous research findings relevant to the role of the KPPU and business competition law enforcement. Tertiary legal materials, such as legal dictionaries and encyclopedias, are used to clarify the legal terms employed.

Data collection techniques were carried out through literature studies by reviewing various legal documents and literature related to the authority and role of the KPPU in business competition law enforcement. The collected data was then analyzed qualitatively using legal interpretation methods, namely the interpretation of provisions in laws and regulations to uncover the meaning and intent of the legislators (Supriyono, 2024). The analysis was conducted using a systematic approach, which involves interpreting legal provisions by connecting them to other articles within the same regulation or other related regulations. This approach aims to gain a comprehensive understanding of the KPPU's authority and the mechanisms of business competition law enforcement.

This study also utilizes a conceptual approach to examine theories of business competition law, specifically the per se illegal and rule of reason approaches that serve as the basis for evaluating alleged violations. A case approach is used to identify market-sharing agreement practices as well as the law enforcement mechanisms applied by the KPPU. The analysis results are subsequently used to assess the effectiveness of the KPPU's role in executing its business competition law enforcement functions.

## 3. FINDINGS AND DISCUSSION

### *3.1. Position and Authority of the KPPU in the Business Competition Law Enforcement Structure*

Without legal certainty in business competition, the market will be dominated by powerful business actors who have the potential to abuse their dominant position. Healthy business competition serves as an essential foundation for the creation of an efficient, innovative, and equitable economic climate (Pijoh et al., 2023). Fair competition encourages efficiency, innovation, and overall economic welfare (Azizah et al., 2023). When market mechanisms fail to function properly, the state is obligated to intervene as a regulator protecting the interests of the public and small-scale business actors. When business actors believe there is discriminatory or detrimental behavior from their competitors, victims can claim damages based on competition law. Violations of business competition rules can be subject to criminal or administrative sanctions due to the economic losses inflicted (Sanusi, 2022). The state plays a strategic role in maintaining the legislative system and ensuring the supremacy of law in the field of business competition.

The establishment of a specialized supervisory agency is a necessity because the complexity of business competition cases cannot be handled by general judicial institutions. Law Number 5 of 1999 concerning the Prohibition of Monopolistic Practices and Unfair Business Competition established the Business Competition Supervisory Commission (KPPU) as an independent institution tasked with overseeing and enforcing business competition law. The unique nature of competition law, which combines legal and economic aspects, demands an institution with specialized expertise outside the conventional judicial structure. The KPPU is viewed as a multi-functional agency with specialized expertise in handling business competition cases effectively. The KPPU's jurisdiction encompasses legislative, advisory, and judicial functions, granting it broad powers that include investigation, examination, prosecution, adjudication, and consultation (Bayuaji, 2023). With this scope of functions, the KPPU plays a central role in maintaining a healthy business competition climate in Indonesia.

A strong legal foundation serves as an absolute prerequisite for the legitimacy and effectiveness of every law enforcement action taken by the KPPU. The legal basis for the establishment of the KPPU is found in Article 1 paragraph (1) of KPPU Regulation Number 1 of 2014, which states that the KPPU is a government institution with the primary mission of preventing monopolistic practices and unfair business competition (Effendi, 2020). Without clear and measurable authority, every supervisory and enforcement effort will lose its legitimate legal umbrella. Article 2 of the regulation establishes the KPPU's responsibility in supervising and enforcing the law to prevent monopolistic practices, while Article 3 letter b affirms the KPPU's objective in enforcing the prohibition of monopolies and unfair competition. The existence of the KPPU functions as both a supervisor and a law enforcer ensuring that every business actor competes fairly in accordance with the principles of healthy business competition (Manan et al., 2025).

Without a clear division of duties and authority within laws and regulations, the KPPU's effectiveness in executing its functions will experience significant procedural obstacles. The primary duties of the KPPU are regulated in Article 35 of Law Number 5 of 1999, encompassing the evaluation of actions prohibited based on prohibited agreements, prohibited activities, and dominant positions; the implementation of measures in accordance with the Commission's authority; the provision of recommendations and evaluations of government competition policies; the preparation of guidelines related to laws and regulations; and the periodic reporting of work results to the House of Representatives (DPR) and the President (Simbolon, 2019). This broad range of duties demands that the KPPU execute its supervisory function proactively rather than merely reactively. Article 36 of Law Number 5 of 1999 grants the KPPU the authority to receive public complaints, examine and investigate alleged violations, and impose administrative sanctions on business actors who violate the rules (Zulfadli et al., 2023).

### *3.2. Characteristics of Business Competition Law and Its Implications for Law Enforcement*

The complexity of business competition cases cannot be resolved through conventional legal approaches that ignore the economic realities behind the actions of business actors. Business competition law possesses unique characteristics that combine elements of law and economics, thereby requiring cross-disciplinary expertise in its enforcement (Fadhilah, 2019). Without adequate understanding of economic theory and market impact analysis, every legal decision risks being erroneous and detrimental to the dynamics of healthy competition (Adhie et al., 2023). The handling of business competition cases cannot be conducted in ordinary district courts because it demands a deep understanding of economic theory, economic impact analysis, and other relevant topics. Business competition law enforcement requires an investigation into whether the alleged violation has a detrimental economic impact on consumers or other business actors. Such analysis can only be performed by individuals with education and expertise in economics.

The quality of human resources within the business competition supervisory agency serves as a primary determinant for the objectivity and credibility of every decision produced. KPPU commissioners generally possess academic and professional backgrounds in law and economics. The composition of commissioners originating from two different disciplines reflects the awareness that competition law cannot be enforced partially. They possess deep knowledge of both fields and can examine business competition challenges by integrating legal and economic perspectives (Fibrianti & Wahanisa, 2023). The presence of commissioners with backgrounds in law and economics is the key to ensuring that every business competition case is analyzed objectively, scientifically, and in accordance with the objectives of fair competition law enforcement. This interdisciplinary approach enables the KPPU to examine business competition issues thoroughly and comprehensively. Targeted competence development serves as an essential foundation for business actors in building sustainable competitive advantages in the market (Putra & Darmawan, 2022).

Every violation of business competition possesses a different level of danger to the market structure, meaning that its law enforcement approach must also be differential and proportional (Katsoulacos et al., 2020). In investigating potential violations of business competition law, the KPPU applies the theories of per se illegal and rule of reason. Differentiating between these two approaches is important because there are business practices that are inherently detrimental to competition, yet there are also practices that can only be evaluated after an analysis of their economic impact is conducted. The per se illegal approach is used for actions that are inherently deemed harmful to competition without the need for further proof of impact, whereas the rule of reason demands an in-depth evaluation of the agreement's or activity's impact on competition. Through the application of these two approaches, the KPPU can enforce the law more objectively and proportionally against any action that has the potential to disrupt healthy business competition. Adaptive strategies and optimal core competence management help maintain customer loyalty and market positioning amid intense competitive dynamics (Sinambela & Aprilianti, 2011; Mardikaningsih & Darmawan, 2016).

### *3.3. Market-Sharing Agreements as a Form of Business Competition Law Violation*

The division of marketing territories by business actors represents the most dangerous business strategy for market structures because it systematically eliminates room for competitors to grow. One form of violation regulated in Law Number 5 of 1999 is the market-sharing agreement as stipulated in Article 9 (Hassan & Kameel, 2024). A market-sharing agreement refers to an understanding among business actors to divide marketing territories, which has the potential to result in consumer exploitation due to the loss of the ability to compare goods, quality, and prices (Shahrullah & Cokro, 2020). When consumers lose choices, market mechanisms no longer function optimally, and prices tend to be determined unilaterally by conspiring business actors. Article 9 strictly prohibits agreements aimed at dividing marketing territories or market allocation that may result in monopolistic practices or unfair business competition. This prohibition aims to prevent monopolies and maintain business competition operating in a healthy and fair manner.

Market distortions caused by market-sharing agreements not only harm consumers in the short term but also structurally hinder economic growth in the long run. Market-sharing agreements in product marketing have the potential to induce competition distortions that disadvantage consumers. Price instability resulting from collective marketing territory arrangements has the potential to reduce public purchasing power and hinder access to quality goods at competitive prices. The division of marketing territories and the regulation of goods production volumes can cause business competition to become unconducive due to price instability affecting consumer purchasing power (Jawani, 2021). The prohibition against market-sharing agreements aims to avoid distribution congestion and prevent overloads in specific locations. Strengthening brand identity and sustainable differentiation serve as important strategies for business actors to survive amidst tight market competition (Sinambela, 2024).

The application of the rule of reason approach in evaluating market-sharing agreements reflects the necessity to distinguish between agreements that genuinely harm competition and those that may actually enhance distribution efficiency. Article 9 provisions apply the rule of reason approach. Without an approach that comprehensively considers economic impact, any agreement between business actors risks being deemed illegal even when it in reality provides benefits to market efficiency. This approach is used by business competition authorities to evaluate whether a business agreement or activity inhibits or supports competition (Hanni, 2019). The rule of reason demands concrete evidence and in-depth evaluation, thereby not automatically outlawing an action even though there is tangible evidence that the action has taken place. This approach grants courts the flexibility to interpret statutes and markets more deeply and to assess the real impact of an agreement on competition objectively and contextually. A thorough understanding of formal contracts in business practice is essential to ensure that every agreement operates within applicable legal corridors (Da Silva et al., 2022).

Business competition law enforcement that relies solely on formal approaches without considering the economic context will produce unfair and disproportionate decisions. The rule of reason approach states that the examination of an action accused of violating competition law must consider the context and surrounding conditions of the case to determine whether the action truly restricts competition unfairly. This approach compels the KPPU and the courts to uncover facts more deeply, looking not merely at whether an agreement is textually prohibited, but also assessing its real impact on the market and consumers (Widhiyanti, 2024). Evidence demonstrating a tangible negative impact on competition or the harm caused by the action is required. This approach emphasizes the importance of contextual analysis and tangible proof of the resulting harm, ensuring that competition law enforcement can be carried out fairly and proportionally. Public legal consciousness regarding the validity of credit agreements and consumer protection acts as a supporting element in creating an orderly economic climate (Hardyansah et al., 2022).

The evidentiary process in territorial agreement cases requires the KPPU to gather evidence that not only demonstrates the existence of an agreement but also the tangible impact of that agreement on the market structure. The KPPU collects evidence showing that the parties entering into the territorial agreement have previously communicated and coordinated the division of markets or supply territories (Wiganarto et al., 2022). Without strong communication and economic evidence, the KPPU will struggle to prove the presence of an intent to restrict competition, which constitutes a vital element in violations of Article 9. This encompasses communication and economic evidence indicating violations of business competition law as a means for the KPPU to understand the intent and purpose of the agreement. The consequence of such territorial agreements is the disadvantage inflicted upon competing business actors within the same sector, thereby necessitating in-depth legal and economic evaluation by the KPPU. Compliance with allocation agreements and the superiority of the marketing mix jointly determine the competitiveness of business actors in the market (Suhandoko et al., 2023; Darmawan & Grenier, 2021).

### *3.4. Sanction Instruments and Law Enforcement Mechanisms by the KPPU*

The effectiveness of business competition law enforcement is heavily determined by the availability of sanction instruments that are firm, proportional, and possess sufficient coercive power to alter the behavior of business actors (Polontoh & Saputri, 2025). In enforcing the provisions of business competition law, the KPPU has the authority to impose administrative sanctions pursuant to Article 47 paragraph (1), which states that the Commission is authorized to impose administrative actions against business actors who violate statutory provisions. Administrative sanctions represent the most effective instrument because they can be imposed directly by the KPPU without having to wait for lengthy and convoluted judicial processes. Article 47 paragraph (2) letter a regulates the determination to cancel agreements as referred to in Article 4 through Article 13, Article 15, and Article 16. Through this authority, the KPPU can impose administrative sanctions, including the cancellation of violating agreements, to ensure compliance and the creation of healthy business competition.

The existence of criminal sanctions in business competition law reflects the state's seriousness in viewing competition violations as economic crimes that have widespread impacts on public welfare (Sibuea et al., 2024). Law Number 5 of 1999 also stipulates criminal sanctions for violations of business competition provisions. Fine amounts reaching one hundred billion rupiah indicate that business competition violations are no longer viewed as ordinary administrative offenses, but rather as actions that massively threaten the public interest. Article 48 paragraph (1) regulates that violations of the provisions of Article 9 can be subject to a minimum criminal fine of IDR 25,000,000,000.00 and a maximum of IDR 100,000,000,000.00, or substitute confinement for a maximum period of 6 months. This provision demonstrates the state's commitment to prosecuting violations of Article 9 through substantial fines or confinement as a form of serious law enforcement.

A law enforcement approach that relies solely on sanctions without providing room for the remediation of business actors' behavior will lose the educational dimension crucial for long-term compliance. The KPPU has also introduced a behavior change integrity pact mechanism based on KPPU Regulation Number 2 of 2023. This mechanism provides an opportunity for business actors to demonstrate good faith without having to go through prolonged examination processes, thereby enhancing law enforcement efficiency. According to Article 1 number 15 of that regulation, a statement of behavioral change is a written statement made by a business actor suspected of committing a violation, expressing a commitment to cancel prohibited agreements and halt prohibited activities (Humairah et al., 2025). This mechanism enables business actors in the reported position to propose behavioral change commitments to the commission panel as an effort to realize law enforcement concerning territorial allocation agreements.

Protracted case resolution harms all parties, necessitating a mechanism that accelerates the process without sacrificing the principles of justice and legal certainty. The KPPU applies a behavior change stage in the case handling process to influence the actions of business actors reported for violations.

This approach not only accelerates case resolution but also builds the legal awareness of business actors, which will ultimately foster more sustainable voluntary compliance (Pakpahan et al., 2024). The objective of this action is to make reported business actors aware and to encourage compliance with the required behavior change regulations. This is expected to accelerate the resolution of business competition violation cases and streamline the overall examination procedure through the awareness and compliance of business actors with prevailing regulations.

Preventive law enforcement possesses a higher strategic value compared to repressive action because it prevents harm before it occurs, thereby protecting the interests of consumers and other business actors more effectively. Preventive efforts in business competition law enforcement are carried out by incorporating a behavioral change stage into the case handling process (Polontoh & Saputri, 2025). By providing space for behavioral change from the outset of the process, the KPPU acts not only as a punitive institution but also as a compliance facilitator that encourages the transformation of business actors' behavior. The objective is to increase awareness and foster good faith among the business actors mentioned in the report, ensuring they comply with the required behavioral change regulations. Through the implementation of this mechanism, case resolution can proceed more efficiently while simultaneously encouraging business actors' compliance and awareness of healthy competition principles.

The law enforcement authority possessed by the KPPU will not be optimal without a strong coordination mechanism with the judicial system as the executor of decisions. Although the KPPU holds broad law enforcement authority, the execution of decisions remains in the hands of the district court (Zulfadli et al., 2023). The KPPU's reliance on the district court during the execution stage represents a structural weakness that can hinder law enforcement effectiveness if coordination between the two institutions fails to run smoothly. Pursuant to Article 46 paragraph (2), the KPPU is obligated to submit an application to the district court to establish execution for decisions that have obtained permanent legal force. This provision demonstrates that the business competition law enforcement system in Indonesia requires coordination between the KPPU and the courts to ensure law enforcement effectiveness.

### *3.5. Reflection on the Effectiveness of Business Competition Law Enforcement*

The enforcement of business competition law in Indonesia has demonstrated significant progress through the active role of the KPPU as an independent supervisory institution (Zulfadli et al., 2023). Various legal instruments, ranging from administrative sanctions and criminal penalties to behavioral change mechanisms, have been designed to create a comprehensive and equitable law enforcement system. The KPPU's success in handling business competition cases is measured not only by the number of sanctions imposed, but also by the institution's ability to drive business actors' behavior toward voluntary compliance with the principles of fair competition. The transformation from a repressive approach to a preventive approach through the behavioral change integrity pact mechanism indicates an awareness that ideal law enforcement is capable of preventing violations before they occur, rather than merely punishing after violations are proven.

The journey of business competition law enforcement in Indonesia still faces various structural challenges that require serious attention from all stakeholders. The KPPU's reliance on the district court during the decision execution stage constitutes a weakness that can hinder law enforcement effectiveness if inter-institutional coordination does not run optimally. The complexity of business competition cases, which combine legal and economic aspects, demands the continuous strengthening of the KPPU's institutional capacity, including enhancing the quantity and quality of commissioners as well as supporting resources (Polontoh & Saputri, 2025). The still-low legal awareness among business actors and entrenched business practices present distinct challenges in building a healthy competition climate.

The strengthening of the business competition law enforcement system cannot be carried out partially; rather, it requires a holistic approach that encompasses institutional reform, enhanced inter-institutional coordination, and massive education and outreach to business actors and the public. As the frontline of business competition law enforcement, the KPPU needs to continuously innovate its case-handling methods, including the utilization of technology to detect unfair competition practices (Humairah et al., 2025). On the other hand, the government and the House of Representatives (DPR) as lawmakers bear the responsibility to continuously refine the regulatory framework for business competition so that it is capable of responding to increasingly complex and globally integrated economic dynamics.

The rapidly evolving dynamics of the global economy demand a business competition law enforcement system that is adaptive and responsive to change. New business practices based on digital technology, economic platforms, and increasingly massive startup ecosystems present novel challenges for business competition law enforcement that require progressive legal interpretation and in-depth economic analysis. The KPPU is urged to continually update its understanding and methodologies in facing these emerging phenomena, ensuring that the principles of fair competition can still be upheld amidst a constantly shifting business landscape. Consequently, the enforcement of business competition law is not an ultimate goal, but rather a means to create an equitable and efficient economic ecosystem that ultimately delivers maximum welfare for all layers of Indonesian society.

## 4. CONCLUSION

The KPPU holds a central role in business competition law enforcement as an independent institution equipped with investigation, examination, prosecution, adjudication, and consultation authorities. The characteristics of competition law, which combine legal and economic elements, demand commissioners with backgrounds in both disciplines to analyze cases objectively. In handling market-sharing agreements (Article 9), the KPPU applies the rule of reason approach, which requires concrete evidence and in-depth evaluation regarding the agreement's impact on competition. Law enforcement is carried out through administrative sanctions (Article 47) and criminal penalties (Article 48) with fines ranging from IDR 25 billion to IDR 100 billion or confinement for a maximum of 6 months. The KPPU has also introduced a behavior change integrity pact mechanism (KPPU Regulation Number 2 of 2023) to accelerate case resolution through voluntary behavioral modification. The execution of decisions remains in the hands of the district court (Article 46 paragraph 2), making coordination between the KPPU and the court a prerequisite for law enforcement effectiveness.

The institutional capacity of the KPPU needs to be strengthened through the addition of multidisciplinary commissioners and the reinforcement of supporting resources. Coordination with the district court must be enhanced to accelerate decision execution. The criteria for applying the rule of reason need to be formulated more clearly and measurably so that the evaluation of market-sharing agreements becomes more objective and consistent. Socialization and education targeted at business actors regarding the provisions of Article 9 and the behavior change integrity pact mechanism must be expanded. Preventive supervision through active monitoring of agreements with the potential to violate Article 9 must be intensified. Transparency in the law enforcement process needs to be elevated to maintain public trust. Legislation should review Article 46 paragraph (2) to grant the KPPU direct execution authority over decisions that have obtained permanent legal force. Further research is necessary to evaluate the effectiveness of the behavior change integrity pact mechanism in resolving business competition cases efficiently.

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