

Dated: March 22, 2021

The Implementation of Activities in The Capital Market Sector on the Financial Services Authority Regulation (POJK) No.3/POJK.04/2021

The Services Authority Regulation (OJK) has issued the Financial Services Authority Regulation (POJK) No.3/POJK.04/2021 concerning the Implementation of Activities in the Capital Market Sector, replacing Government Regulation (PP) No.45/1995 concerning the Implementation of Activities in the Capital Market to encourage good corporate governance (GCG) of the company.

This regulation also regulates the action of the issuers in and out of the stock exchange. Issuers that leave the stock exchange must buy back shares or buybacks to retail investors. The OJK requires public companies that will go private to buy back shares circulating in the public. The obligation to buy back public shares applies to issuers that carry out voluntary delisting or those that are forced to delist due to orders from the OJK or requests for the Indonesia Stock Exchange (IDX) or forced delisting.

This POJK objective is to strengthen the role of Self Regulatory Organizations (SRO) which includes the Indonesia Stock Exchange, PT Indonesian Central Securities Depository (KSEI), PT Kliring Penjaminan Efek Indonesia (KPEI), and the OJK's authority. Further, the new POJK is very important for all investors, especially retail. Through POJK No.3/POJK.04/2021, the issuer officials must be responsible for the losses suffered by the company (investors), which is stated in Article 89 of the regulation.

Mulyaningsih Prawirowiryo (Lia)