Cross-Border Listings Guide - Indonesia Stock Exchange

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# Quick Summary

## Initial financial listing requirements

[Last updated: 1 January 2024, unless otherwise noted]

A company will qualify to list its shares on the Main Board of the Indonesia Stock Exchange (IDX) if it fulfils certain requirements including the following:

Its registration statement is declared effective by the Financial Services Authority (*Otoritas Jasa Keuangan*/OJK).

It has conducted operational activities in the same core business for at least 36  
consecutive months, which must be proven by the prospective listed company recording revenue for the last three financial years.

It has audited financial statements for the last three financial years, and an unmodified opinion covering the audited financial statements for at least the last two financial years and the last interim audited financial statements (if any).

It has fulfilled one of the following financial criteria:

Profits before tax and net tangible assets for the last financial year of at least IDR 250 billion (approximately US$16.25 million).

Accumulation of profits before tax for the last two financial years of at least IDR 100 billion (approximately US$6.50 million), and a share capitalization value of at least IDR 1 trillion (approximately US$65.00 million) before the listing date.

Revenue for the last financial year of at least IDR 800 billion (approximately US$52.00 million, and a share capitalization value of at least IDR 8 trillion (approximately US$520.00 million) before the listing date.

Total assets for the last financial year of at least IDR 2 trillion (approximately US$130.00 million), and a share capitalization value of at least IDR 4 trillion (approximately US$260.00 million) before the listing date.

Cumulative cash flow from operating activities for the last two financial years of at least IDR 200 billion (approximately US$13.00 million), and a share capitalization value of at least IDR 4 trillion (approximately US$260.00 million) before the listing date.

For a company to qualify to list its shares on the Main Board, a certain number of its shares (the Free Float Shares) must meet the following criteria: (i) they are owned by a shareholder that holds less than 5% of the total listed shares, (ii) they are not owned by the controller of the company and/or any affiliate of the controller, (iii) they are not owned by the members of the board of directors or board of commissioners, and (iv) they have not been bought back by the company.

There must be at least 300 million Free Float Shares and they must represent at least one of the following:

20% of the total shares that will be listed on the IDX, for prospective listed companies whose total equity prior to the public offering is less than IDR 500 billion (approximately US$32.50 million).

15% of the total shares that will be listed on the IDX, for prospective listed companies whose total equity prior to the public offering is between IDR 500 billion (approximately US$32.50 million) and IDR 2 trillion (approximately US$130.00 million).

10% of the total shares that will be listed on the IDX, for prospective listed companies whose total equity prior to the public offering is more than IDR 2 trillion (approximately US$130.00 million).

Only Indonesian legal entities in the form of limited liability companies (*Perseroan Terbatas*) that are established and existing under the laws of Indonesia may list their shares on the IDX. Indonesian capital market regulations allow foreign companies to issue and list Indonesian Depositary Receipts (*Sertifikat Penitipan Efek Indonesia*, or SPEI) on the IDX. However, in practice, due to the ambiguity of the OJK rules on the issuance of SPEI by foreign companies, no foreign company has yet successfully listed SPEI on the IDX.

## Other initial listing requirements

[Last updated: 1 January 2024, unless otherwise noted]

*Share price.* The offer price (and not nominal value) for securities to be listed must be at least IDR 100 (approximately US$0.007).

*Distribution.* To list shares on the Main Board of the IDX, the total number of shareholders with single investor identifications (SID) must be at least 1,000, with the following conditions:

For a prospective listed company conducting an Initial Public Offering (IPO), the total number of shareholders is the number of total shareholders following the completion of the IPO.

For a prospective listed company that was originally a non-listed public company, the total number of shareholders is the number of total shareholders as of, at the latest, one month prior to the listing application.

*Listing Maintenance and Free Float.* A listed company must fulfil the following requirements to maintain its listing on the IDX:

The number of Free Float Shares are at least 50 million and at least 7.5% of the total listed shares.

There are at least 300 shareholders holding single investor identifications (SID).

Specifically, to maintain listing on the Main Board of the IDX (as of December 2023):

There are at least 750 shareholders holding single investor identifications (SID).

The Free Float Shares must be as follows:

If the Free Float Shares are 10% or more, then the share capitalization value of the Free Float Shares must be more than IDR 200 billion (approximately US$13.00 million).

If the Free Float Shares are less than 10%, then the share capitalization value of the Free Float Shares must be more than IDR 1 trillion (approximately US$65.00 million).

The annual audited financial reports for the last two consecutive years must have obtained an unmodified opinion from an external independent auditor.

*Accounting standards.* Financial statements must be audited by an independent auditor registered with OJK in accordance with accounting/auditing standards established by the Indonesian Institute of Certified Public Accountants (Institut Akuntan Publik Indonesia).  
  
*Financial statements.* For listing on the Main Board, the registration statement must include three years of audited financial statements.

*Corporate history.* For listing on the Main Board, a commercial operating history of at least 36 consecutive months in the same core business is required, which must be proven by the prospective listed company having recorded revenue for at least the last three financial years.

*Management continuity.* The IDX does not require any specific period of continuity of management.

## Listing process

[Last updated: 1 January 2024, unless otherwise noted]

Any proposed listing would be subject to regulation by the appropriate divisions of the IDX and OJK. The following is a fairly typical process and timetable for a listing on the IDX.

[Link to Timetable](https://resourcehub.bakermckenzie.com/en/-/media/crossborder-listings-handbook/files/2020-update-8th-edition/indonesialisting-process-gantt-chart.pdf)

## Corporate governance and reporting

[Last updated: 1 January 2024, unless otherwise noted]

A publicly listed company, under OJK regulations, must have:

A board of commissioners, 30% of the members of which must be independent commissioners.

A nomination and remuneration function.

An audit committee.

A corporate secretary.

An internal audit unit.

Publicly listed companies are subject to certain reporting obligations, including:

Submitting periodic reports to the OJK and IDX.

Disclosing to the public, the OJK and the IDX any material information or facts that may affect the value of the securities or an investment decision of investors or potential investors.

Disclosing any material corporate actions and corporate actions that are considered as affiliated party or conflict of interest transactions.

## Fees

[Last updated: 1 January 2024, unless otherwise noted]

A prospective listed company must pay initial listing fees that are calculated based on the share capitalization value of the listed company. For listing on the Main Board, for every IDR 1 billion (approximately US$65,000) of share capitalization value, the initial listing fee is IDR 1 million (approximately US$65), with the minimum initial listing fee being IDR 25 million (approximately US$1,625) and the maximum being IDR 250 million (approximately US$16,250).

Further, under the IDX Listing Rule, listed companies must pay an annual listing fee and fees for each additional listing of shares. The annual listing fee is calculated based on the share capitalization value of the listed company. For every IDR 1 billion (approximately US$65,000) of share capitalization value, the annual listing fee is IDR 500,000 (approximately US$32.50), with the minimum listing fee being IDR 50 million (approximately US$3,250) and the maximum being IDR 250 million (approximately US$16,250). The fees for additional listing of shares are also calculated based on the share capitalization value of the publicly listed company. For every IDR 1 billion (approximately US$65,000) of share capitalization value, the fee for an additional listing of shares is IDR 1 million (approximately US$65), with the minimum fees for an additional listing of shares being IDR 10 million (approximately US$650) and the maximum being IDR 150 million (approximately US$9,750).

# Overview of exchange

## Overview of exchange

[Last updated: 1 January 2024, unless otherwise noted]

Currently, the Indonesia Stock Exchange (*PT Bursa Efek Indonesia,* or theIDX) is the only stock exchange in Indonesia.

Several kinds of securities may be listed on the IDX, such as shares and bonds. This description focuses on the listing of shares. Only Indonesian legal entities in the form of limited liability companies (*Perseroan Terbatas*) that are established and existing under the laws of Indonesia may list shares on the IDX. Indonesian capital market regulations allow foreign companies to issue and list Indonesian Depositary Receipts (*Sertifikat Penitipan Efek Indonesia*, or SPEI) on the IDX.

SPEI are depositary receipts issued by a local custodian (depositary). Each SPEI represents a proportional ownership interest in a fixed number of underlying shares of the relevant company. The shares underlying the SPEI are deposited with the local custodian that has been approved by the Financial Services Authority (*Otoritas Jasa Keuangan*, or OJK). An SPEI holder is entitled to the same rights granted to equity shareholders of the relevant company for each of the underlying shares represented by its SPEI. However, in exercising its rights, the SPEI holder must be represented by the relevant depositary. A SPEI holder is not a shareholder, and therefore, it cannot attend and vote in any general meetings of shareholders of the company, except, as earlier stated, through the relevant depositary.

Similar to the listing of shares, in theory, the listing of SPEI is subject to regulation by the appropriate divisions of the IDX and OJK. The IDX has issued specific rules for the listing of SPEI whereby companies that issue SPEI must submit a registration statement to the OJK and the registration statement must be declared effective by OJK. However, in practice, due to the ambiguity of the OJK rules on the issuance of SPEI by foreign companies, no foreign company has yet successfully listed SPEI on the IDX. As such, our description below will not go into detail on how to list SPEI for foreign companies on the IDX.

There are four boards on the IDX where issuers may list their securities:

The Main Board, which is generally used for listings by companies that meet the core business activities, financial, net tangible asset, shareholders and profit standards required for listing on the Main Board of the IDX.

The New Economy Board, which is generally used for listings by companies that use technology to create product and/or service innovations that increase productivity and economic growth and have a social benefit and high growth rate. Companies must meet the requirements for both the New Economy Board and the Main Board to maintain a listing on this board.

The Development Board, which is generally used for listings by companies that cannot meet the core business activities, financial, net tangible asset, shareholders and profit standards required for the Main Board, and could be a steppingstone towards listing on the Main Board.

The Acceleration Board, which is generally used for listings by small and medium-sized enterprises that cannot meet the business and financial standards required for the Development Board or Main Board.

This description focuses on the Main Board.

The aggregate market capitalization of listed securities on the IDX at the end of 2022 was IDR 9.50 trillion (approximately US$617.44 million), up approximately 15% from IDR 8.26 trillion (approximately US$536.64 million) at the end of 2021. At the end of 2022, 360 companies were listed on the Main Board, down from 366 at the end of 2021. IDX itself does not specialize in or encourage listings by particular types of companies.

The operation of securities trading on the IDX is conducted through the Jakarta Automated Trading System (JATS). JATS handles all financial products (stocks, bonds and derivatives) in one platform. Trading of securities on the IDX is divided into three market segments: regular market, negotiated market and cash market. The regular market is the mechanism for trading stock in standard lots on a continuous auction market during exchange hours. Regular market and cash market trading must be carried out in unit lots of 100 shares. Negotiated market trading is carried out by direct negotiation between (i) members of the IDX, (ii) clients through one member of the IDX, or (iii) clients and members of the IDX. Negotiated market trading does not use round lots.

Any proposed listing would be subject to regulation by the appropriate divisions of the IDX and OJK. The prospective listed company must submit a registration statement to the OJK, consisting of documents such as the prospectus, financial statements that have been audited by an independent auditor, legal due diligence report, legal opinion and other documents as may be required by the OJK. One of the requirements for listing is that the OJK declares the registration statement to be effective.

The OJK and the IDX permit dual listed companies. In such a case, generally, the OJK requires that the listed companies fulfil the listing standards and compliance requirements of the exchange that has the stricter listing standards and compliance requirements (except for filing annual reports as discussed below).

# Principal listing and maintenance requirements and procedures

## Principal listing and maintenance requirements and procedures

[Last updated: 1 January 2024, unless otherwise noted]

The IDX does not consider any jurisdictions of incorporation or industries to be unacceptable for a listed company. However, as highlighted in Section 1 above, foreign companies are prohibited from listing their shares on the IDX. In theory, foreign companies are only allowed to issue and list SPEI on the IDX. To date, no foreign company has successfully listed SPEI on the IDX.

A company will qualify to list its shares on the Main Board of the IDX if it fulfils certain requirements, including the following:

Its registration statement is declared effective by the OJK.

It has conducted an operational activity in the same core business for at least 36 consecutive months, which must be proven by the prospective listed company recording revenue for the last three financial years.

It has audited financial statements for the last three financial years, and an unmodified opinion covering the audited financial statements for at least the last two financial years and the last interim audited financial statements (if any).

It has fulfilled one of the following financial criteria:

Profits before tax and net tangible assets for the last financial year of at least IDR 250 billion (approximately US$16.25 million).

Accumulation of profits before tax for the last two financial years of at least IDR 100 billion (approximately US$6.50 million) and share capitalization value of at least IDR 1 trillion (approximately US$65.00 million) before the listing date.

Revenue for the last financial year of at least IDR 800 billion (approximately US$52.00 million) and share capitalization value of at least IDR 8 trillion (approximately US$520.00 million) before the listing date.

Total assets for the last financial year of at least IDR 2 trillion (approximately US$130.00 million) and share capitalization value of at least IDR 4 trillion (approximately US$260.00 million) before the listing date.

Cumulative cash flow from operating activities for the last two financial years of at least IDR 200 billion (approximately US$13.00 million); and share capitalization value of at least IDR 4 trillion (approximately US$260.00 million) before the listing date.

For a company to qualify to list its shares on the Main Board, a certain number of its shares (Free Float Shares) must meet the following criteria:

They are owned by a shareholder that holds less than 5% of the total listed shares.

They are not owned by the controller of the company and/or any affiliate of the controller.

They are not owned by the members of the board of directors or board of commissioners.

They have not been bought back by the company.

There must be at least 300 million Free Float Shares and they must represent at least one of the following:

20% of the total shares that will be listed on the IDX, for prospective listed companies whose total equity prior to the public offering is less than IDR 500 billion (approximately US$32.50 million)

15% of the total shares that will be listed on the IDX, for prospective listed companies whose total equity prior to the public offering is between IDR 500 billion (approximately US$32.50 million) and IDR 2 trillion (approximately US$130.00 million)

10% of the total shares that will be listed on the IDX, for prospective listed companies whose total equity prior to the public offering is more than IDR 2 trillion (approximately US$130.00 million)

The above criteria relating to Free Float Shares must be fulfilled by the company either after the public offering or, where the prospective listed company is already a public company (but not yet listed), within the period of five trading days prior to the listing application.

The company must have a minimum of 1,000 total shareholders with single investor identifications (SID) to list its shares on the Main Board, with the following conditions:

For a prospective listed company conducting an Initial Public Offering (IPO), the total number of shareholders is the total number of shareholders following the completion of the IPO.

For a prospective listed company that was originally a non-listed public company, the total number of shareholders is the number of total shareholders as of, at the latest, one month prior to the listing application.

The IDX requires all companies wishing to list their shares on the IDX to list all of the company's shares, except for certain companies such as banks where 1% of their paid up capital may not be listed on the IDX.

The offer price (and not nominal value) for the securities to be listed must be at least IDR 100 (approximately US$0.007).

The IDX does not require any specific period of continuity of management.

*Listing of additional shares*

After the initial listing, the IDX also allows for the listing of additional shares on the Main Board as a result of issuance of new shares by a listed company, such as would result from a rights issue, an increase of capital without preemptive rights, a reverse stock split, bonus shares, dividend shares, conversion of indebtedness, an employee/management stock option program and an exercise of warrants. There are particular requirements that need to be fulfilled in order to be able to list additional shares on the IDX (these include a guideline formula for determining the pricing). There are different requirements to be fulfilled for listing additional shares depending on how the new shares are issued.

The general requirements for listing additional shares on the IDX are as follows:

The listed company has obtained the approval of its general meeting of shareholders for the issuance of new shares.

The listed company has submitted an application for the approval of the IDX for the listing of the additional shares.

The listed company has obtained the approval of the IDX (including an effective letter issued by the OJK to the extent the new shares are issued in relation to a public offering).

*Corporate governance*

A listed company, under the OJK rules, must have:

A board of commissioners, 30% of the members of which must be independent commissioners.

A nomination and remuneration function.

An audit committee.

A corporate secretary.

An internal audit unit.

A more detailed explanation on the corporate governance requirements of a listed company is provided in Section 5 below.

*Free float requirements*

Specifically, under IDX Rule No. I-A on Listed Stock and Equity Securities other than Shares Issued by Listed Companies (IDX Listing Rule), there are certain free float requirements to be met after the initial listing in order to maintain a listing on the IDX. These free float requirements are:

The number of Free Float Shares is at least 50 million shares and at least 7.5% of the total listed shares.

There are at least 300 shareholders holding single investor identifications (SID).

The IDX Listing Rule provides that if there is a breach of the minimum free float requirement caused by a corporate action of the listed company, and the breach is outside of the control of the listed company, it has to submit an action plan to comply with the above requirements at the latest two trading days after the company becomes aware of the non-compliance. The IDX may approve or reject the proposed plan, especially in relation to the proposed timeline.

If non-compliance with the requirement for the number of Free Float Shares to be (i) at least 50 million shares and (ii) at least 7.5% of the total listed shares is due to a mandatory tender offer as a result of a takeover by a new controller, the IDX Listing Rule provides a two-year deadline to comply with the requirement.

If the listed company does not meet the requirement for the number of Free Float Shares to be (i) at least 50 million shares and (ii) at least 7.5% of the total listed shares, the listed company may submit an application for certain shareholders to be categorized as free float shareholders provided that the ownership is in the form of an investment portfolio with a public investor as the beneficiary.

*Specific listing maintenance requirements for the Main Board*

To maintain a listing on the Main Board, under the IDX Listing Rule, the maintenance requirements are as follows:

Effective from 2 May 2025, the listed company must fulfill one of the following conditions:

It must not record any net loss for two consecutive years.

It must book a compound annual growth rate of operating income of at least 20% for the last three years.

The listed company did not have negative equity in the last financial statement.

The listed company has more than 750 shareholders with single investor identification (SID).

The listed company must satisfy the following:

If the Free Float shares are 10% or more, then the share capitalization value of the Free Float Shares must be more than IDR 200 billion (approximately US$13.00 million).

If the Free Float Shares are less than 10%, then the share capitalization value of the Free Float Shares must be more than IDR 1 trillion (approximately US$65.00 million).

The listed company must fulfill one of the following conditions:

The price to earnings ratio per share of the listed company is not more than three times the market price to earnings ratio.

The price to book value ratio of the shares of the listed company is not more than three times the market price to book value ratio.

The share capitalization value of the listed company is at least IDR 12 trillion (approximately US$780.00 million).

The listed company did not receive a written sanction from the IDX in the past year.

The listed company's annual audited financial statements have obtained an unmodified opinion for two consecutive financial years.

*IDX Special Monitoring*

A listed company may be placed in the special monitoring board if it fulfills one or more of the following criteria:

The listed company's average share price over the last six months in the regular market and/or regular market periodic call auction is less than IDR 51 (approximately US$0.003), except for shares listed under the Acceleration Board.

The listed company's latest audited financial statements received a disclaimer of opinion.

The listed company did not record any revenues or did not change its revenue in the audited financial statements and/or interim financial statements compared to the financial statements submitted previously.

The listed company engages in the mineral and coal mining business and has carried out the production operation stage but has not yet reached the sales stage, or has not started the production operation stage, or is a holding company that has a controlled company that engages in the mineral and coal sector and has carried out the production operation stage but has not yet reached the sales stage, or has not yet started the production operation stage, at the end of the fourth fiscal year after its listing on the IDX, and has not obtained any revenue from the main business activities (core business).

The listed company has negative equity in the latest financial statements.

The listed company does not comply with the listing requirements according to the IDX rules.

The listed company has low liquidity, with the criteria of daily average transaction value of shares of less than IDR 5 million (approximately US$325.00) and an average daily transaction volume of shares of less than IDR 10,000 (approximately US$0.65) shares during the last six months in the regular market and/or regular market periodic call auction.

The listed company itself, or another party, has applied for suspension of debt repayment obligations, bankruptcy or cancellation of a composition plan, which materially affects the listed company or the subsidiary of a listed company whose revenue contribution is material to the listed company according to assessment by the IDX or the listed company's disclosure of information.

The listed company is subject to a temporary suspension of securities trading for more than one trading day caused by trading activities.

If a listed company fulfills the criteria above, the IDX will publish an announcement at the latest one trading day before the listed company has been effectively placed in the special monitoring board. In addition, a listed company placed under the special monitoring board may be given a special notation by the IDX. The IDX has the authority to remove a listed company from the special monitoring board if the listed company complies with certain requirements set out under the IDX rules. The IDX can also suspend a listed company if it has been placed in the special monitoring board for more than one consecutive year because it meets one of the above criteria.

*Delisting*

A listed company can be delisted from the IDX, either voluntarily by the relevant listed company or forcibly by the IDX, due to certain conditions. The IDX allows a listed company to undertake voluntary delisting upon meeting certain requirements, such as: (i) the relevant company has been listed on the IDX for at least five years; (ii) the delisting plan has been approved by a general meeting of shareholders, and (iii) there are standby buyer(s) who will purchase the shares of the shareholders who disagree with the delisting plan on the price in accordance with the IDX rules.

The IDX can force a listed company to delist if that company fulfils one of the following conditions: (i) the company suffers certain conditions that adversely affect the going concern nature of the company, financially or legally, or adversely affect the continuing status of the company as a publicly listed company and the company is unable to demonstrate a sufficient indication of recovery; or (ii) the shares are suspended from the regular market and the cash market, and have only been traded in the negotiated market for the last 24 months.

Once delisted, the company will remain a public company but its shares will no longer be listed on the IDX. The company can be taken private upon meeting certain requirements according to the OJK rules.

*Lock-up*

If a party obtains shares of a prospective listed company within six months before the submission of the relevant IPO registration statement to OJK at a price lower than the IPO price of the company's shares, all shares (and not only the shares newly obtained by that party) will be subject to eight months lock-up. The eight months lock-up will start from the date the registration statement is declared effective by the OJK.

If the IPO is carried out by also implementing Multiple Voting Shares (MVS) in accordance with the prevailing rule, each eligible MVS holder will be subject to a two-year lock-up on its MVS, starting from the date the registration statement is declared effective by the OJK. In addition, each shareholder holding ordinary shares (non-MVS) will also be subject to an eight months' lock-up starting from the date the registration statement is declared effective by the OJK in the event that the book value per share based on the latest financial statements is lower than the IPO price.

# Listing documentation and process

## Listing documentation and process

[Last updated: 1 January 2024, unless otherwise noted]

The procedures for listing of shares, as stated in the IDX Listing Rule are divided into those for (i) companies that intend to list shares on the IDX, and (ii) public companies or companies that have already been listed on another stock exchange. The explanation below will focus on the first procedure, that is, the procedure for companies that intend to list shares on the IDX (listing after IPO).

A company that intends to list its shares on the IDX has to file a request for the listing of shares to the IDX (Request) at the same time as the submission of the registration statement to the OJK and pay an initial listing fee (see Section 7 for further details). The Request from the company should comply with the form attached to the IDX Listing Rule. The application is done electronically, where the soft copy of the following documents must be submitted:

Prospectus or Initial Prospectus, if the prospective listed company undertakes a bookbuilding (*penawaran awal*)

Taxpayer registration number (*Nomor Pokok Wajib Pajak (NPWP*))

Financial projection for at least three years including the assumptions that are used.

Evidence of payment for listing application.

Prospective listed companies whose business is specifically regulated by the IDX must also submit the following documents, as required by specific IDX rules:

A copy of the concession or management permit from the relevant institution, if it is required (for example in the case of forestry or toll road businesses).

A statement letter from the board of directors stating that: (i) it will be responsible for the accuracy of information submitted to the IDX and (ii) it will comply with the applicable laws and regulations in the capital market including the IDX rules.

In reviewing the application, the IDX may:

Request additional documents, information, and/or explanations, both oral or written, from prospective listed companies and/or other parties related to the proposed shares listing.

Ask the listed company and all of its advisors to make a "mini public expose" in the form of a presentation to the IDX about the company and its operations, activities, financial conditions, the purpose of undertaking an IPO, its intention to undertake an IPO, and findings of the advisors.

Carry out a site visit.

The following is a fairly typical process and timetable for a listing on the IDX.

[Link to Timetable](https://resourcehub.bakermckenzie.com/en/-/media/crossborder-listings-handbook/files/2020-update-8th-edition/indonesialisting-documentation-and-process.pdf)

# Continuing obligations/periodic reporting

## Continuing obligations/periodic reporting

[Last updated: 1 January 2024, unless otherwise noted]

*Periodic reporting obligations*

Listed companies are required to submit periodic reports to the OJK and the IDX, including:

An annual report, that is to be submitted no later than four months after the end of the financial year of the listed company. If the annual report is made available to shareholders before the deadline, the annual report must be submitted to the OJK on the day it becomes available to the shareholders. The annual report must be prepared in two languages, one being the Indonesian language and the other one being English.

Consolidated financial statements consisting of:

An annual financial report audited by an accountant registered with the OJK, to be submitted not later than three months after the date of the report.

Any of the following mid-year reports: (a) a mid-year report (unaudited), to be submitted not later than one month after the date of the report; (b) a mid-year report with limited review by an accountant registered with the OJK, to be submitted not later than two months after the date of the report; or (c) a mid-year report audited by an accountant registered with the OJK containing a full opinion on the fairness of the report, to be submitted not later than three months after the date of such report.

Quarterly reports, the preparation of which is required by the rules of the IDX, to be submitted to the IDX not later than one month after the date of the report for a non-audited report, two months after the date of the report for a limited audit report, and three months after the date of the report for a fully audited report.

An explanation of the use of proceeds as stated in the prospectus, or as modified with the approval of a general meeting of shareholders, which will be made in a report that covers the use of net proceeds from the initial public offering every six months until the proceeds have been used.

*Non-periodic reporting obligations*

Listed companies are also required to disclose to the public and report to the OJK and the IDX any material information or facts (Material Information or Facts) as soon as possible but in any event no later than two business days after the Material Information or Facts occur. Material Information or Facts is defined as important and relevant information or facts regarding events, occurrences or facts that may affect:

The valuation of the price of securities at the market organizer in the capital markets.

The assessment of the price of securities by capitalists, investors, prospective capitalists or prospective investors or other parties that are interested in such events, occurrences or facts.

The decision of capitalists, investors, prospective capitalists or prospective investors or other parties that are interested in such events, occurrences or facts.

Material Information or Facts may consist of, among other things, merger, acquisition, consolidation, stock split, stock dividend, change in management, labor disputes, replacement of a public accountant or replacements of a trustee and material legal claims.

*Reporting obligations related to corporate actions*

Listed companies that undertake material corporate actions (unless specifically exempted by the OJK rules) must do one of the following:

Where the material transaction has a value of more than 50% of the company's equity, among other things, obtain a fairness opinion/valuation report from independent party, make a disclosure of information on the corporate actions, report to the OJK as well as obtain the approval of a general meeting of shareholders.

Where the material transaction has a value of between 20% and 50% of the company's equity, among other things, obtain a fairness opinion/valuation report from independent party, announce such corporate actions to the public and report to the OJK.

 Listed companies that undertake corporate actions that are considered as affiliated party transactions (transactions with an affiliated party) must do one of the following:

Obtain a fairness opinion/valuation report from independent party, make a disclosure of information on the corporate actions and report to the OJK.

To the extent a corporate action is, among other things: (i) an affiliated party transaction which is also a material transaction or (ii) a conflict of interest transaction (whether such transaction is done with the affiliated party or not), obtain the approval of the independent shareholders in a general meeting of shareholders in addition to making disclosure of the information to the public and reporting to the OJK.

In addition, if listed companies were to issue new shares, either with or without pre-emptive rights, the companies must issue a circular to their shareholders and make a disclosure of information on the corporate actions in that circular and obtain the approval of a general meeting of shareholders.

*Shareholding reporting obligations*

Under the Indonesian Capital Market Law (Law No. 8 of 1995 as last amended by Law No. 4 of 2023 on the Development and Strengthening of the Financial Sector) and OJK Rule No.11/POJK.04/2017 on Reporting of Share Ownership in Public Companies (OJK Rule 11/2017), (i) each director or commissioner of a public company holding any shares, directly or indirectly, in that public company; or (ii) each Party that has direct or indirect ownership of a minimum of 5% of the paid up capital in the public company (Reporting Party), must report to the OJK within 10 calendar days the ownership and the changes of ownership of shares in the public company after the transaction date. The report must also be submitted after there is a change by at least 0.5% of the paid up capital of the public company in the Reporting Party's share ownership in that public company.

Under OJK Rule 11/2017, the report can also be submitted by another party who is authorized in writing by the Reporting Party through a Power of Attorney (POA). OJK Rule 11/2017 does not set a limitation on the parties that can be appointed as the proxy. Thus, an individual or a legal entity, as long as they are appointed based on a POA, can be authorized as the attorney of the Reporting Party. The report made by the proxy must be submitted to the OJK at the latest five calendar days after the Reporting Party comes to hold the shares or after there is a change by at least 0.5% of the paid up capital of the public company in the Reporting Party's share ownership.

Under OJK Rule 11/2017, if a direct/registered shareholder is not the ultimate beneficial owner (UBO) of the shares, both the direct/registered shareholder and the UBO of the shares must submit reports to the OJK. The submission of the report by the registered owner will not eliminate the obligation of the UBO to submit its report (and vice versa). In addition, if the UBO holds the shares through various layers of entities, each entity must also submit reports to the OJK (noting that all of these reports are duplicative as they are disclosing the same share ownership).

OJK Rule 11/2017 provides a template to be used for the shareholding reporting to the OJK. The report should, at a minimum, contain the following information:

Name, address and nationality of the Reporting Party.

Name of the public company whose shares are owned by the Reporting Party.

Number of shares and percentage of shares, both before and after the transaction.

Number of shares purchased or sold.

Purchase or sale price per share.

Date of transaction.

Purpose of transaction.

Shares ownership status (direct or indirect).

*Insider trading*

Insider trading, fraud and market manipulation of securities are prohibited under Indonesian capital markets laws. Any transaction found to have involved insider trading, fraud or market manipulation may be cancelled or suspended by the IDX, or the OJK may suspend or revoke the license of the capital market supporting institutions and supporting professionals involved. A party that (i) engages in conduct that could affect other parties' decisions on whether or not  to purchase or sell the securities in question, or (ii) provides any inside information to any party who reasonably could use such information to purchase or sell the securities, is liable for the loss incurred and faces a fine of up to IDR 150 billion (approximately US$9.75 million) and imprisonment for up to fifteen years.

# Corporate governance

## Corporate governance

[Last updated: 1 January 2024, unless otherwise noted]

Indonesian companies are required to have a two-tier management structure. The executive functions are managed by a board of directors, which is supervised by a board of commissioners. The board of commissioners does not have an executive function or authority, except where all members of the board of directors have a conflict of interest in certain transactions or in the absence of all members of the board of directors (Direksi).

Under the Indonesian Company Law (Law No. 40 of 2007 as last amended by Law No. 6 of 2023 on Enactment of Regulation of the Government in Lieu of Law No. 2 of 2022 on Job Creation), the board of directors is tasked with managing the company in the best interests of the company and in accordance with the purpose and objectives of the company. The board of commissioners is tasked with supervising and advising the board of directors in the best interests of the company and in accordance with the purpose and objectives of the company. Generally, the board of directors and board of commissioners have defined rules to guide their conduct. The company is a separate legal entity to which the board of directors and the board of commissioners owe a loyalty above both their own personal interests and the interests of the shareholders. The board of directors and board of commissioners therefore are obligated to run the company in the best interests of the company, even if those interests conflict with their own personal interests or shareholders' interests.

As referred to in Section 2 above, under OJK rules, a listed company must have:

Independent commissioners comprising at least 30% of the total number of members of the board of commissioners.

A nomination and remuneration function.

An audit committee.

A corporate secretary.

An internal audit unit.

*Independent commissioners*

To become an independent commissioner in a listed company, a person must:

Not be a person that has had the authority and responsibility to plan, lead, control or supervise the activity of the listed company in the six months prior to their appointment as an independent commissioner, except as an independent commissioner.

Not own any shares of the listed company, directly or indirectly.

Not have an affiliated relationship with the listed company, or with any commissioner, director or principal shareholder of the listed company.

Have no business relationship that is directly or indirectly related to the listed company's business activity.

An independent commissioner that has served for two consecutive terms of office can be re-elected for the next terms as long as they declare and proves to a general meeting of shareholders that they remain independent.

*Audit committee*

A listed company's audit committee must comprise at least three members, one of whom must be an independent commissioner who will serve as chairman of the audit committee. The other members must also be independent persons (usually originating from outside the company), at least one of whom must be an expert in the field of accounting and/or finance.

The following persons are prohibited from becoming members of the audit committee of a listed company:

Any inside person of a public accountant, legal consultant or other party who gives audit, non-audit and or other appraisal services and/or consultation services to the company or that has personally audited the financial statements of the listed company in six months prior to their appointment as a member of the audit committee.

Any person that has had the authority and responsibility to plan, lead, control or supervise the activity of the listed company in the six months prior to their appointment as a member of the audit committee, except an independent commissioner.

Any person who owns shares, either directly or indirectly, in the listed company.

Any person who has an affiliated relationship with commissioners, directors or a principal shareholders of the listed company.

Any person who has a business relationship that is directly or indirectly related to the listed company's business activity.

In addition to the above, each member of the audit committee must:

Have high integrity, ability, knowledge and adequate experience (including any relevant educational qualifications) and be able to communicate properly.

Have at least one audit committee member that has an educational qualification in accountancy or finance.

Understand financial statements, the business of the listed company concerned, audit process, risk management and capital market regulations and other related regulations.

Comply with the audit committee's code of conduct which is stipulated by the listed company.

Agree to increase his/her competency continuously through education and training.

For the appointment and dismissal of audit committee members, the reporting to the OJK and upload on the listed company's website must be done at the latest two business days after the appointment or dismissal. The term of office of the members of the audit committee cannot be longer than the term of office of the members of the board of commissioners as set out in the articles of association of the listed company and the member of the audit committee can only be appointed for maximum of two terms of office.

A listed company must set up an audit committee charter. The charter must, as a minimum, detail the following:

The duties, responsibilities and the authority of the audit committee.

The composition, structure and requirements of members of the audit committee.

Guidelines and working procedure.

The requirements for audit committee meetings.

Reporting mechanism.

Provisions on complaints or reports received in connection with any suspicion as to whether there is any violation on financial reporting.

The term of the audit committee.

The charter must be published on the listed company's website as soon as the information is available.

*Corporate secretary*

The function of the corporate secretary may be performed by one of the directors of the listed company, or an official of the listed company designated to carry out such function. However, a corporate secretary cannot have a dual position as director in other listed companies. The corporate secretary acts as a liaison or contact person between the listed company, government authorities, including the OJK, and the public. The corporate secretary must have access to material and relevant information relating to the listed company and must be familiar with all statutory regulations relating to capital markets, particularly on disclosure matters.

The appointment and termination of the corporate secretary are decided by the board of directors. If there is no corporate secretary, the listed company must appoint a replacement at the latest 60 calendar days after the corporate secretary position becomes vacant. Such appointment and termination must be: (i) reported to the OJK and (ii) published on the relevant listed company's website, at the latest two business days after the appointment or the termination.

*Internal audit unit*

The internal audit unit plays a visible leadership role in promoting compliance and performing an internal audit function within the listed company. Each listed company must have an internal audit unit and the number of internal auditors in the internal audit unit will be adjusted based on the scale and the complexity level of the listed company's business.

An internal auditor is required to fulfil, at a minimum, the following requirements:

Must have integrity, and be professional, independent, honest and objective.

Must have knowledge and experience in relation to undertaking an audit and other knowledge relevant to his/her duties.

Must have knowledge of capital market regulations and other related regulations.

Must have the ability to interact and communicate effectively.

Must comply with the professional standards issued by the Internal Audit Association.

Must comply with the code of ethics for internal audit.

Must protect the confidentiality of all information and/or company data related to the implementation of his/her duties (an exception to this may be granted only if the prevailing laws and regulations stipulate otherwise, or if it is based on a court decision).

Must understand good corporate governance principles and risk management.

Must continuously improve his/her knowledge, ability and professionalism.

The duties and responsibilities of an Internal Audit Unit include:

Preparing and implementing an annual internal audit plan.

Examining and evaluating the implementation of an internal control and risk management system in accordance with the company's policy.

Reviewing and evaluating efficiency and effectiveness in the areas of finance, accounting, operations, human resources, marketing, information technology and other activities.

Providing objective suggestions and information on activities that have been audited at all management levels.

Making an audit report and submitting the report to the president director and the board of commissioners of the company.

Overseeing, analyzing and reporting on the implementation of the suggestions.

Working together with the Audit Committee.

Preparing programs to evaluate the quality of the internal audit activities they have conducted.

Conducting special reviews or investigations, if required.

A listed company must have an internal audit charter. The charter must, as a minimum, detail the following:

Structure and status of the internal audit unit.

Duties and responsibilities of the internal audit unit.

Authority of the internal audit unit.

Code of ethics of the internal audit unit that refers to the code of ethics determined by the internal audit association of Indonesia or an internal audit code of ethics that is commonly applied internationally.

Requirements to be an auditor in the internal audit unit.

Responsibility of the internal audit unit.

Prohibition on dual positions and functions for auditors and officers of the internal audit unit in relation to their involvement in the operational activities of the public company or subsidiaries of the public company.

All appointments, replacements, and dismissals of the chief of an internal audit committee must be reported to the OJK immediately.

*Nomination and Remuneration Function*

A listed company is required to have its nomination and remuneration function conducted by the board of commissioners. The board of commissioners may establish a nomination and remuneration committee to implement this function.

A nomination and remuneration committee must have at least three members and must fulfil these requirements:

The chairman of the nomination and remuneration committee must be an independent commissioner of the listed company.

Other members of the nomination and remuneration committee can be either:

Members of the board of commissioners.

Persons from outside the listed company, who (i) have no affiliate relationship with that company, or the members of the board of directors, members of the board of commissioners or the principal shareholders of the listed company; (ii) have experience related to nomination and remuneration; and (iii) do not hold any position in any other committees of that company.

Persons who hold a managerial position under the board of directors member that handles human resources affairs.

The latter should not be the majority member(s) of the nomination and remuneration committee.

Members of the board of directors of the relevant company are prohibited from serving as members of the committee.

The tenure of the nomination and remuneration committee must not be longer than the tenure of the board of commissioners, as stipulated in the articles of association of the listed company. Members of a nomination and remuneration committee are appointed and dismissed by resolutions of a board of commissioners meeting and can be reappointed without any term limitation.

The committee must act independently at all times, is responsible to the board of commissioners of the relevant company, and has the following duties:

Nomination function:

Make recommendations to the board of commissioners on:

Composition of membership of the board of directors and/or board of commissioners.

Nomination policies for the board of directors and/or board of commissioners.

Performance evaluation policies for the board of directors and/or board of commissioners.

Assist the board of commissioners in evaluating the performance of the board of directors and/or board of commissioners based on the prepared benchmarks.

Make recommendations to the board of commissioners on programs for developing the capabilities of the board of directors and/or board of commissioners.

Propose to the board of commissioners any candidate who might qualify as a member of the board of directors and/or board of commissioners to be submitted to a general meeting of shareholders of the company.

Remuneration function:

Make recommendations to the board of commissioners on remuneration structure, policy on remuneration, and amount of remuneration.

Assist the board of commissioners in evaluating the performance of the board of directors and/or board of commissioners in accordance with their remunerations.

In implementing the remuneration function above, the committee must consider:

The remunerations applicable in other public companies in a similar industry and the business scale of the relevant company within its industry.

The duties, responsibilities and authorities of members of the board of directors and board of commissioners in relation to the relevant company’s fulfilment of its performance and goals.

The goals or performance targets of each member of the board of directors and board of commissioners.

The balance between fixed and variable allowances.

The board of commissioners of a listed company must prepare nomination and remuneration guidelines. The guidelines must, at a minimum, detail the following:

Duties and responsibilities.

Composition and membership.

Work guidelines and procedures.

Meetings.

Report of the nomination and remuneration committee's activities.

Replacement of members.

Period of membership.

Listed companies must disclose the implementation of the nomination and remuneration function in:

Their annual reports, consisting of:

A statement of the company that it has established the nomination and remuneration committee's guidelines.

A brief explanation of the implementation of the nomination and remuneration committee’s duties and responsibilities during that financial year.

Its website, consisting of:

The nomination and remuneration committee's guidelines.

A brief explanation of the implementation of the nomination and remuneration committee’s duties and responsibilities during that financial year.

# No differentiation in treatment and requirement

## No differentiation in treatment and requirement

[Last updated: 1 January 2024, unless otherwise noted]

For the purposes of listing on the IDX, there is no difference in the treatment and requirements imposed on companies, regardless of, among other things, their size or industry. Further, there is only one process for listing shares on the IDX (there is no "fast track" or expedited process).

# Fees

## Fees

[Last updated: 1 January 2024, unless otherwise noted]

A prospective listed company must pay initial listing fees that are calculated based on the share capitalization value of the listed company. For listing on the Main Board, for every IDR 1 billion (approximately US$65,000) of share capitalization value, the initial listing fee is IDR 1 million (approximately US$65), with the minimum initial listing fee being IDR 25 million (approximately US$1,625) and the maximum being IDR 250 million (approximately US$16,250).

Further, under the IDX Listing Rule, listed companies must pay an annual listing fee and fees for each additional listing shares (that is, for new shares issued through a rights issue). The annual listing fee is calculated based on the latest share capitalization value of the listed company. For every IDR 1 billion (approximately US$65,000) of share capitalization value, the annual listing fee is IDR 500,000 (approximately US$32.50), with the minimum listing fee being IDR 50 million (approximately US$3,250) and the maximum being IDR 250 million (approximately US$16,250). We are not aware if in practice the IDX imposes a higher annual listing fee. The annual listing fee must be paid in advance by the listed company for a period of 12 months from January to December and, subject to certain exceptions, must be received by the IDX at the latest at the end of the last working day in January.

The fees for additional listing of shares are calculated based on the share capitalization value of the publicly listed company. For every IDR 1 billion (approximately US$65,000) of share capitalization value, the fees for an additional listing of shares is IDR 1 million (approximately US$65), with the minimum fees for an additional listing of shares being IDR 10 million (approximately US$650) and the maximum being IDR 150 million (approximately US$9,750). The fees for an additional listing of shares must be paid to the IDX at the latest one working day prior to the date of the intended listing.

# Additional Information

## Additional Information

[Last updated: 1 January 2024, unless otherwise noted]

Any documents submitted to the OJK and the IDX must generally be submitted in Bahasa Indonesia. If the documents are submitted in a language other than Bahasa Indonesia, generally, a Bahasa Indonesia translation must also be submitted.

# Contacts

## Contacts within HHP Law Firm

Iqbal Darmawan of HHP Law Firm, a member firm of Baker & McKenzie International, is the most appropriate contact in Jakarta for inquiries with respect to prospective listings on the IDX.

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