

PRESS RELEASE

INDONESIA CAPITAL MARKET GROWS AMID GLOBAL DYNAMICS

The Closing of Trading on the Indonesian Stock Exchange in 2023

Jakarta, December 29, 2023. Amid the global economics instability, Indonesia Capital Market continues to show positive performance throughout 2023. It is reflected from several indicators such as market stability, trading activities, total raised funds, and the increasing number of retail investors.

Chief Executive of Capital Markets, Financial Derivatives, and Carbon Exchange Supervision conveyed this message during his remarks for the Closing of Trading on the Indonesian Stock Exchange in 2023 in Jakarta, Friday.

“Thanks to the strong synergies, collaborations, and cooperation from all stakeholders in the Indonesia Capital Market industry, we finally are able to overcome many challenges and accomplish various achievements in 2023,” said Inarno.

The closing was attended by Board of Commissioners of OJK, including: Chief Executive of Banking Supervision Dian Ediana Rae, Chief Executive of the Insurance, Guarantee Institutions, and Pension Fund Supervision Ogi Prastomiyono, Chief Executive of Market Conduct Supervision, Education, and Consumer Protection Friderica Widyasari Dewi, Chairman of the Audit Board Sophia Wattimena, Chief Executive of Financing Institutions, Venture Capital Companies, Microfinance Institutions, and Other Financial Service Companies Supervision Agusman, Chief Executive of Technology Innovation, Digital Assets, and Crypto Assets Supervision Hasan Fawzi, Leaders of Self-Regulatory Organization, and representatives of Capital Market industry.

Before the closing event, Head of the Capital Market Licensing Department, Luthfy Zain Fuady, President Director of PT Bursa Efek Indonesia, Iman Rachman, President Director of PT Kliring Penjaminan Efek Indonesia, Iding Pardi, and President Director of PT Kustodian Sentral Efek Indonesia, Samsul Hidayat, gave a Press Conference of the Closing of Trading on the Indonesian Stock Exchange in 2023.

As of December 28, 2023, Indonesia Stock Exchange Composite (IHSG) closed at 7,303.89 points, or 6.62 percent year-to-date growth. The market capital also grew by 23.82 percent year-to-date, or by Rp11,762 trillion.

The Indonesia Composite Bond Index grew by 8.51 percent from the end of 2022 at 344.78 to 374.20.

As the domestic economy activities increases, the fundraising through the Capital Market also increases. As of December 28, 2023, OJK released Effective Letter of Statement of Registration Statement for Public Offering for 211 public offerings with the total emission of Rp247.06 trillion.

Funds raised from Securities Crowdfunding (SCF) also increased. Approximately 493 SME actors benefitted from the Rp1.04 trillion SCF from 167,788 investors through 16 different SCF platforms.

OJK records a vast rise in the number of retail investors, as shown by the Single Investor Identification (SID) numbers at 12.16 million SID, or a five-fold increase in the last four years.

Performance of Regulation, Licensing, Supervision, and Law Enforcement in the Capital Market in 2022

Throughout 2023, OJK continuously improved its performance in regulating, granting license, supervising, law enforcing, and protecting investors in the Capital Market.

Until December 28, 2023, OJK had published 8 OJK Regulations and 5 OJK Circular Letters in the Capital Market sectors, and established 1,700 licenses and/or new registrations, including 8 license of investment management, 164 Capital Market investment management products, 1,301 company representative permits, 150 permits for Capital Market supporting institutions and professions, 74 new Issuers, 2 SCF Operators, and 1 Carbon Exchange organizer.

Meanwhile, from supervision and law enforcement aspects, OJK has supervised all Capital Market industry players, including 136 Investment Managers and Investment Advisors, 990 Issuers and Public Companies, 122 Securities Companies, 85 Securities Institutions & Supporting Institutions, 2,653 Capital Market Supporting Professions, and all transaction of Securities and its derivatives.

As a follow up from the supervision, OJK issued 796 sanction letters for report tardiness or violation cases, consisting of 21 license revocation sanctions, 1 license freezing sanction, 72 written warning sanctions, and 702 administrative sanctions in the form of fine, with the total of Rp105.79 billion sanction. Additionally, OJK also issued 63 Written Orders to take law enforcing actions toward regulation violations in the Capital Market sector.

OJK Strategic Measures in Capital Market, Derivative Finances, and Carbon Exchange Sectors in 2023

In developing and deepening the Capital Market as well as to enhance protection of investors. Throughout 2023, OJK also issued several strategic policies, among which are:

- a. Launching of Roadmap of Indonesia Capital Market 2023-2027 as a reference in developing Capital Market industry;
- b. Arranging OJK internal organization to support strengthening of supervision;
- c. Issuing derivative regulation and forming task force for duties and authorities transition from Bappebti to OJK as a follow up of Law Number 4 of 2023 on Development and Strengthening of Financial Sector (P2SK Law);
- d. Launching of Carbon Exchange as a form of OJK's commitment in supporting the government to achieve NDC target as written in the Paris Agreement. Since its launching on September 26, 2023, until December 28, 2023, there are 46 services

- users in the carbon trading ecosystem, which has been granted permission of 494,254 tCO₂e (ton CO₂-equal) for 46 times, and accumulated value of Rp30.91 billion;
- e. Signing of MoU between OJK and European Securities and Markets Authority (ESMA) to strengthen collaboration in regulation and supervision practices of CCP under the supervision of OJK as acknowledged by ESMA (KPEI);
 - f. Carrying out the roles and mandates as Head of ASEAN Capital Market Forum (ACMF) optimally. Some main initiatives that have been achieved are:
 - 1. Issuance of ASEAN Transition Finance Guidance, which is a general guideline of transition plan to credible, transparent, and inclusive low-carbon economic
 - 2. Resolving the revision of ASEAN Corporate Governance Scorecard, which refers to the revision of OECD Principles on Corporate Governance where sustainability is the new main pillar. The Scorecard will be used in assessing and determining the Top Publicly Listed Companies (PLCs) in ASEAN, beginning with assessment in 2024 for reporting year 2023.
 - 3. ACMF-IFRS Foundation Dialogue on IFRS Sustainability Disclosure Standards. ACMF continuously encourages sustainability disclosure quality enhancement by collaborating with ISSB as the global standard-maker of sustainability disclosure. The collaboration has been drawn up in a dialogue protocol signed in the recent meeting. Through the collaboration, ACMF is able to make a good intensive capacity building program for its members as regulators and for the Companies to prepare their sustainability reports.
 - 4. Launching of Handbook for ASEAN Green Lane, to facilitate sustainability-based cross-border Mutual Fund offerings; and
 - g. Signing of MoU between OJK and FSRA-ADGM to strengthen two-way collaboration and information exchange, particularly on Carbon Market development.

In order to preserve the moment of growth and development of Capital Market, OJK has prepared several priority programs for 2024:

- 1. Following up of P2SK Law through derivative regulation draft, including Carbon Trading Implementation and Legal Basis Strengthening of Derivative Products.
- 2. Expanding the protection scope of Mutual Funds and Securities Crowdfunding (SCF) Investor Protection Fund (DPP) and Revision of OJK Regulation on SCF.
- 3. Preparing regulations on incentives distribution to Debt Securities and/or Sukuk Offering Based on Sustainability.
- 4. Improving the quality of investment management through Mutual Funds ranking or rating regulation; as well as
- 5. Revising OJK Regulation on Margin and Liquidity Provider Transaction to improve transaction liquidity/

“These several priority programs will not surely be achieved without the support of stakeholders of Indonesia Capital Markets. Therefore, OJK encourage all stakeholders in the Capital Market to maintain the good synergies in realizing a Capital Market that will drive the national economic for Advanced Indonesia and Sustainable Development,” said Inarno.

For more information:

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