



Financial Services Authority
of the Republic of Indonesia

DUPLICATE OF
REGULATION OF FINANCIAL SERVICES AUTHORITY
OF THE REPUBLIC OF INDONESIA
NUMBER 16/POJK.04/2020
CONCERNING
IMPLEMENTATION OF ELECTRONIC GENERAL MEETING OF
SHAREHOLDERS OF PUBLICLY OWNED COMPANY

WITH THE GRACE OF GOD ALMIGHTY

BOARD OF COMMISSIONERS OF FINANCIAL SERVICES AUTHORITY,

- Considering :
- a. that according to the procedures for the holding of the general meeting of shareholders, it is mandatory for the Publicly Owned Company to hold a general meeting of shareholders;
 - b. that the number of shareholders and the geographical distribution of share ownership of the publicly owned company create challenges in the implementation of general meetings of shareholders, both in determining the location of the general meeting of shareholders and fulfilling the attendance quorum, decision quorum, and the form of the minutes of decisions of the general meeting of shareholders;
 - c. that to implement the provisions of Article 23 clause (1) letter c of Government Regulation *in lieu* of Law Number 1 of 2020 concerning State Financial Policy and Financial System Stability to Control Corona Virus Disease 2019 (Covid-19) Pandemic and/or in Response to Dangerous Threats to the National Economy and/or the Stability of the Financial System;

- d. that based on considerations as referred to in letter a, letter b, and letter c, it is deemed necessary to stipulate the Regulation of Financial Services Authority concerning the Implementation of Electronic General Meeting of Shareholders of Publicly Owned Company.
- In view of
1. Law Number 8 of 1995 concerning Capital Market (State Gazette of the Republic of Indonesia of 1995 Number 64, Supplement to the State Gazette of the Republic of Indonesia Number 3608);
 2. Law Number 21 of 2011 concerning Financial Services Authority (State Gazette of the Republic of Indonesia of 2011 Number 111, Supplement to the State Gazette of the Republic of Indonesia Number 5253);
 3. Government Regulation *in lieu* of Law of the Republic of Indonesia Number 1 of 2020 concerning State Financial Policy and Financial System Stability to Control Corona Virus Disease 2019 (Covid-19) Pandemic and/or in Response to Dangerous Threats to the National Economy and/or the Stability of the Financial System (State Gazette of the Republic of Indonesia of 2020 Number 87, Supplement to the State Gazette of the Republic of Indonesia Number 6485);

HAS DECIDED TO:

Enact : REGULATION OF FINANCIAL SERVICES AUTHORITY CONCERNING IMPLEMENTATION OF ELECTRONIC GENERAL MEETING OF SHAREHOLDERS OF PUBLICLY OWNED COMPANY.

CHAPTER 1 GENERAL PROVISIONS

Article 1

In this Regulation of Financial Services Authority, the following terms shall mean:

1. Publicly Owned Company is an Issuer that has conducted a public offering of equity securities or a public company.
2. General Meeting of Shareholders, hereinafter referred to as GMS, is an organ of a Publicly Owned Company with authority not given to the board of directors or the board of commissioners as stipulated in the Law on limited liability company and/or the articles of association of the Publicly Owned Company.
3. Electronic GMS is the holding of GMS by a Publicly Owned Company using teleconference, video conferencing, or other electronic media.
4. Board of Directors is an organ of a Publicly Owned Company, duly authorized and fully responsible for the management of the Publicly Owned Company for the interests of the Publicly Owned Company, in accordance with the objective and purpose of the Publicly Owned Company, as well as representing the Publicly Owned Company, either inside or outside the court, pursuant to the provisions in the articles of association.
5. Board of Commissioners is an organ in a Publicly Owned Company in charge of conducting general and/or specific oversight in accordance with the articles of association and providing advice to the Board of Directors of the Publicly Owned Company.
6. Electronic GMS Holding System, hereinafter referred to as e-GMS, is an electronic system or means used to facilitate the provision of information, execution, and reporting of the Publicly Owned Company GMS.
7. Attorney-in-Fact is a party appointed by shareholders to attend and cast votes at the GMS.
8. e-GMS Provider is a party that provides and manages e-GMS.

9. Central Securities Depository is a party conducting central custody for custodian banks, securities companies, and other parties.
10. e-GMS Users are Publicly Owned Companies, participants, securities administration agencies, shareholders, and other parties determined by the e-GMS Provider.

Article 2

The holding of GMS by a Publicly Owned Company is obligated to comply with the provisions of the Regulation of Financial Services Authority concerning the planning and holding of the General Meeting of Shareholders of a Publicly Owned Company unless specifically regulated in this Regulation of Financial Services Authority.

CHAPTER II

PROVISIONS OF ELECTRONIC GMS IMPLEMENTATION OF PUBLICLY OWNED COMPANY

Article 3

In addition to the holding of GMS as referred to in the Regulation of Financial Services Authority on the planning and holding of Publicly Owned Company's GMS, a Publicly Owned Company may organize Electronic GMS.

Article 4

- (1) Electronic GMS as referred to in Article 3 may be organized by using:
 - a. e-GMS provided by e-GMS Provider; or
 - b. a system provided by the Publicly Owned Company.
- (2) e-GMS Provider as referred to in clause (1) comprises:
 - a. Central Securities Depository appointed by the Financial Services Authority; or

- b. other parties approved by the Financial Service Authority.
- (3) In the event that a Publicly Owned Company organizes electronic GMS by using e-GMS provided by the e-GMS Provider, the Publicly Owned Company is obligated to comply with the provisions of the use of e-GMS stipulated by the e-GMS Provider.
- (4) In the event that electronic GMS is held by:
- a. an e-GMS Provider that is a party approved by the Financial Services Authority as referred to in clause (2) letter b; or
 - b. a Publicly Owned Company, by using the system provided by the Publicly Owned Company as referred to in clause (1),
- the e-GMS Provider or the Publicly Owned Company is obligated to get connected with the Central Securities Depository and securities administration agency to ensure the shareholders who are entitled to attend the GMS.
- (5) Other parties approved by the Financial Services Authority as referred to in clause (2) letter b are obligated to be in the form of Indonesian legal entities and domiciled in the territory of the Unitary State of the Republic of Indonesia.

Article 5

- (1) The e-GMS Provider as referred to in Article 4 clause (2) may facilitate and manage the organisation of meetings other than the GMS of Publicly Owned Company.
- (2) The organization of such other meetings as referred to in clause (1) is subject to determination by the Financial Services Authority.

CHAPTER III
OBLIGATIONS OF E-GMS PROVIDER

Article 6

- (1) e-GMS provider is obligated to at least:
- a. be registered as an electronic system operator by the authorized agency in accordance with the provisions of laws and regulations;
 - b. provide access rights to e-GMS Users to be able to access e-GMS;
 - c. establish and determine standard operational procedures for the organization of electronic GMS via e-GMS;
 - d. ensure the organization of the electronic GMS;
 - e. ensure the security and reliability of e-GMS;
 - f. inform e-GMS Users in the event of changes or system developments including the addition of e-GMS services and features;
 - g. provide audit trail records of all data processing activities in the e-GMS for purposes of supervision, law enforcement, dispute resolution, verification, and testing;
 - h. own and place data centre replacement facilities and disaster recovery centre related to the organization of e-GMS in the territory of Indonesia in a secure location separate from the main data centre;
 - i. meet the minimum standards for information technology systems, information technology security, system disruptions and failures, and management of information technology systems;
 - j. store all data on the organization of electronic GMS; and
 - k. be responsible for losses incurred due to errors or negligence in providing and managing e-GMS.

- (2) In the event that a Publicly Owned Company holds electronic GMS by using a system provided by the Publicly Owned Company, the obligations of the e-GMS Provider as referred to in clause (1) also apply to the Publicly Owned Company, except for the obligation to place data centre replacement facilities and disaster recovery centre in the Indonesian territory as referred to in clause (1) letter h.

Article 7

- (1) The e-GMS Provider stipulates provisions concerning procedures and measures for the use of e-GMS.
- (2) The provisions concerning procedures and measures for the use of e-GMS as referred to in clause (1) become effective following approval from the Financial Services Authority.
- (3) The e-GMS Provider as referred to in Article 4 clause (2) letter a is obligated to establish provisions concerning procedures and measures for the use of e-GMS no later than 6 (six) months after the enactment of this Regulation of Financial Services Authority.
- (4) The provisions concerning procedures and measures for the use of e-GMS as referred to in clause (1) must at least include:
 - a. procedures and measures for registration and/or granting access rights to e-GMS Users, including cancellation of e-GMS User registration;
 - b. fee for e-GMS registration and/or usage;
 - c. procedures for the use of e-GMS;
 - d. rights and obligations of e-GMS Users;
 - e. limitation of access to the use of e-GMS;
 - f. confidentiality, integrity, and availability of GMS information in the e-GMS;

- g. mechanisms of reporting and data collection to fulfill the reporting obligations of the Publicly Owned Company;
- h. protection of personal data in accordance with the provisions of laws and regulations; and
- i. temporary suspension of service to e-GMS Users.

CHAPTER IV
PROCEDURES FOR ELECTRONIC GMS
IMPLEMENTATION

Article 8

- (1) In implementing electronic GMS, a Publicly Owned Company is obligated to:
 - a. include information regarding the plan to organize electronic GMS in the notification of the GMS agenda to the Financial Services Authority, announcement of the GMS, and summons to the GMS; and
 - b. hold a physical GMS attended at least by:
 - 1. chairman of the GMS;
 - 2. 1 (one) member of the Board of Directors and/or 1 (one) member of the Board of Commissioners; and
 - 3. supporting capital market professionals who assist in the implementation of the GMS.
- (2) The location of the electronic GMS is the location where the physical GMS is held as referred to in clause (1) letter b.
- (3) Shareholders or their Attorneys-in-Fact may attend physically or electronically through the e-GMS provided by the e-GMS Provider or a system provided by the Publicly Owned Company.
- (4) The Publicly Owned Company may determine the number of shareholders or Attorneys-in-Fact who

can be physically present, as referred to in clause (3), under a condition that shareholders or Attorneys-in-Fact who declare their intention to be physically present earlier are given a higher priority until the specified limit is reached.

- (5) The electronic attendance of shareholders via the e-GMS provided by the e-GMS Provider or the system provided by the Publicly Owned Company may substitute the physical presence of shareholders and shall be considered as the fulfillment of the attendance quorum.
- (6) The GMS is conducted in an efficient sequential manner, which must at least include the following activities:
 - a. opening;
 - b. determination of attendance quorum;
 - c. discussion of questions or opinions electronically submitted by shareholders or their Attorneys-in-Fact on each agenda item;
 - d. stipulation of decisions for each agenda item based on a decision-making quorum; and
 - e. closing.

Article 9

- (1) Under certain conditions, a Publicly Owned Company may choose not to hold a physical GMS as referred to in Article 8 clause (1) letter b or may limit the physical presence of shareholders, either partially or completely, when holding an electronic GMS.
- (2) The determination of certain conditions as referred to in clause (1) is made by the Government or with the approval of the Financial Services Authority.
- (3) In the event that the Publicly Owned Company chooses not to hold a physical GMS as referred to in clause (1), the location of the GMS is either at the place of the e-GMS Provider or, in the case where the

Publicly Owned Company holds an electronic GMS using the system provided by the Publicly Owned Company, at the domicile of the Publicly Owned Company.

Article 10

- (1) e-GMS or system provided by a Publicly Owned Company is obligated to have the following features:
 - a. display the rules of procedure, GMS materials, and GMS agenda items necessary for shareholders to make decisions on each GMS agenda;
 - b. enable all GMS participants to participate and interact in the GMS;
 - c. include functionality for calculating the attendance quorum of the GMS;
 - d. include functionality for voting and counting votes, including if there is more than 1 (one) classification of shares;
 - e. record all interactions at the GMS, either in the form of audio, visual, audio-visual, or non-audio-visual electronic recording; and
 - f. provide electronic authorization for proxies.
- (2) The forms of participation and interaction as referred to in clause (1) letter b may be in the form of audio, visual, audio-visual, or other than audio-visual means.
- (3) e-GMS as referred to in clause (1) may be equipped with interactive audio-visual features.

Article 11

- (1) Votes in the electronic GMS may be cast after the summons for the GMS until the opening of each agenda item in the GMS for which voting is required.
- (2) The e-GMS Provider is obligated to maintain the confidentiality of the votes cast as referred to in clause (1), until the vote count is performed.

- (3) Shareholders who have voted electronically before the GMS is held are considered valid attendees of the GMS.
- (4) Shareholders who have cast their votes electronically as referred to in clause (1) may change or withdraw their votes before the chairman of the GMS begins the voting for decision making on each agenda item of the GMS.
- (5) If the votes cast before the GMS is held are not changed or revoked, the votes become binding when the chairman of the GMS closes the voting for decision-making on each agenda item of the GMS.
- (6) Shareholders with valid voting rights who have attended electronically but have not exercised their voting rights or abstained are deemed valid attendees of the GMS and are considered to have cast the same votes as the majority of shareholders who have cast votes. The said votes shall be added to the votes of the majority of shareholders.

Article 12

- (1) Minutes of electronic GMS are obligated to be made in the form of a notarial deed by a notary registered with the Financial Services Authority without requiring signatures from the GMS participants.
- (2) The e-GMS Provider is obligated to submit to the notary a hard copy containing at least:
 - a. a list of shareholders who are present electronically;
 - b. a list of shareholders who authorize their proxies electronically;
 - c. a recapitulation of attendance quorum and decision quorum; and
 - d. transcripts of all recorded interactions at the electronic GMS to be attached to the minutes of the GMS.

- (3) In the event that a Publicly Owned Company holds electronic GMS using a system provided by the Publicly Owned Company, the Publicly Owned Company is obligated to also submit to the notary a printed copy as referred to in clause (2).
- (4) Submission of the printed copy as referred to in clause (2) does not absolve the e-GMS Provider of its responsibility to store all data on the implementation of electronic GMS.
- (5) In the event that a Publicly Owned Company conducts electronic GMS using the system provided by the Publicly Owned Company, the submission of printed copy as referred to in clause (3) does not absolve the Publicly Owned Company of its responsibility to store all data on the implementation of electronic GMS.

CHAPTER V

ADMINISTRATIVE SANCTIONS

Article 13

- (1) Any party who violates the provisions as referred to in Article 2, Article 4 clause (3), clause (4), and clause (5), Article 6, Article 7 clause (3), Article 8 clause (1), Article 10 clause (1), Article 11 clause (2), and Article 12 clause (1), clause (2), and clause (3) shall be subject to administrative sanctions.
- (2) Sanctions as referred to in clause (1) shall also apply to parties causing the violation as referred to in clause (1).
- (3) Sanctions as referred to in clause (1) and clause (2) shall be imposed by the Financial Services Authority.
- (4) Administrative sanctions as referred to in clause (1) are in the form of:
 - a. written admonition;
 - b. fines, namely the obligation to pay a certain amount of money;

- c. restrictions to business activities;
 - d. suspension of business activities;
 - e. revocation of business license;
 - f. cancellation of approval; and/or
 - g. cancellation of registration.
- (4) Administrative sanctions as referred to in clause (4) letter b, letter c, letter d, letter e, letter f, or letter g may be imposed with or without preceded by the imposition of administrative sanction in the form of written admonition as referred to in clause (4) letter a.
- (5) Administrative sanction in the form of fines as referred to in clause (4) letter b may be imposed separately or jointly with the imposition of administrative sanctions as referred to in clause (4) letter c, letter d, letter e, letter f, or letter g.
- (6) The procedures for imposing sanctions as referred to in clause (3) shall be carried out in accordance with the provisions of laws and regulations.

Article 14

In addition to the administrative sanctions as referred to in Article 13 clause (4), the Financial Services Authority may take certain actions against any party who violates the provisions of this Regulation of Financial Services Authority.

Article 15

The Financial Services Authority may announce the imposition of administrative sanctions as referred to in Article 13 clause (4) and certain actions as referred to in Article 14 to the public.

CHAPTER VI

TRANSITIONAL PROVISIONS

Article 16

- (1) A Publicly Owned Company that has submitted the GMS agenda to the Financial Services Authority before the entry into force of this Regulation of Financial Services Authority may follow the provisions stipulated in this Regulation of Financial Services Authority.
- (2) From the time this Regulation of Financial Services Authority enters into force until:
 - a. 6 (six) months after this Regulation of Financial Services Authority enters into force; or
 - b. the procedures as referred to in Article 7 clause (3) are approved by the Financial Services Authority,the e-GMS Provider as referred to in Article 4 clause (2) letter a may provide services as an e-GMS Provider based on an agreement with the e-GMS User.

CHAPTER VII CLOSING PROVISION

Article 17

This Regulation of Financial Services shall come into force since the date of its promulgation.

For public cognizance, it is hereby ordered that this Regulation of Financial Services Authority be promulgated in the State Gazette of the Republic of Indonesia.

Enacted in Jakarta
on 20 April 2020

CHAIRMAN OF THE BOARD OF
COMMISSIONERS OF THE
FINANCIAL SERVICES
AUTHORITY OF THE REPUBLIC
OF INDONESIA,

signed

WIMBOH SANTOSO

Promulgated in Jakarta
on 21 April 2020

MINISTER OF LAW AND HUMAN RIGHTS
OF THE REPUBLIC OF INDONESIA,

signed

YASONNA H. LAOLY

STATE GAZETTE OF THE REPUBLIC OF INDONESIA OF 2020 NUMBER 104

This copy is in accordance with its original.
Deputy Director of Legal Consultancy and
Harmonization of Banking Regulations 1
Legal Director 1
Legal Department

signed

Wiwit Puspasari

ELUCIDATION
OF
REGULATION OF FINANCIAL SERVICES AUTHORITY
OF THE REPUBLIC OF INDONESIA
NUMBER 16/ POJK.04/ 2020
CONCERNING
IMPLEMENTATION OF ELECTRONIC GENERAL MEETING OF
SHAREHOLDERS OF PUBLICLY OWNED COMPANY

I. GENERAL

In accordance with the Law on limited liability companies and the Regulation of Financial Services Authority concerning the Plan to Hold a General Meeting of Shareholders of a Publicly Owned Company, it is mandatory for a Publicly Owned Company to hold an Annual GMS.

The Law on limited liability companies regulates the holding of GMS using teleconference, video conferencing, or other electronic media that allow all GMS participants to see and hear each other directly. In addition, the Law also stipulates that for every GMS held through teleconference, video conferencing, or other electronic media, minutes of the meeting must be prepared, duly approved, and signed by all participants.

The stipulations within the Law on limited liability companies face challenges when applied to Publicly Owned Companies with an extensive shareholder base and widespread geographical distribution of share ownership. This is particularly evident in fulfilling the requirements for direct visual and auditory interaction, attendance quorum, decision quorum, and the prescribed format for recording GMS decisions in the minutes.

Effective and efficient organization of a Publicly Owned Company's GMS will enhance the effectiveness and

efficiency of the corporate decision-making process. This, particularly for a Publicly Owned Company, will have a significant impact on the seamless execution of business activities and broadly contribute to strengthening the stability of the financial system, thereby mitigating potential crises.

This issue has garnered the Government's attention and is addressed in Government Regulation *in lieu* of Law Number 1 of 2020 concerning State Financial Policy and Financial System Stability to Control Corona Virus Disease 2019 (Covid-19) Pandemic and/or in Response to Dangerous Threats to the National Economy and/or the Stability of the Financial System.

To facilitate the holding of GMS with efficacy and efficiency by Publicly Owned Companies, the utilization of information technology is needed, which is regulated by the Regulation of Financial Services Authority.

II. ARTICLE BY ARTICLE

Article 1

Self-explanatory.

Article 2

The intended meaning of "holding a GMS" encompasses all activities related to the preparation, execution, and obligations arising from the holding of the GMS, including notification to the Financial Services Authority, announcements, summons, including rectification of summons and resummons, GMS quorum, GMS rules, and announcements of summary of GMS minutes.

Article 3

Self-explanatory.

Article 4

Clause (1)

Electronic GMS may only be held by using 1 (one) electronic system.

Clause (2)

Self-explanatory.

Clause (3)

Self-explanatory.

Clause (4)

The intended meaning of "connected" is either electronically through a system or based on a cooperation agreement directly with the Central Securities Depository and the securities administration agency.

Clause (5)

Self-explanatory.

Article 5

Clause (1)

Examples of meetings other than the GMS of a Publicly Owned Company include GMS held by the Central Securities Depository, securities exchange, and clearing and guarantee institutions (self-regulatory organization), general meeting of bondholders or sukuk holders held by the Issuer, and meeting of an equity crowdfunding platform in the form of cooperative.

Clause (2)

Self-explanatory.

Article 6

Self-explanatory.

Article 7

Self-explanatory.

Article 8

Clause (1)

Self-explanatory.

Clause (2)

Self-explanatory.

Clause (3)

Self-explanatory.

Clause (4)

The stipulation in this clause affirms that a Publicly Owned Company may determine the allocation or quota for shareholders or their proxies who can be physically present at the GMS.

If the number of shareholders or their proxies who declare their intention to attend physically surpasses the designated quota, the shareholders or their proxies who are entitled to attend physically are determined using the first-in-first-served method.

If shareholders or their proxies who declare their intention to be physically present are unable to secure a spot through the first-in-first-served method, they are still permitted to participate electronically.

Clause (5)

Self-explanatory.

Clause (6)

Self-explanatory.

Article 9

Self-explanatory.

Article 10

Clause (1)

Letter a

Self-explanatory.

Letter b

Self-explanatory.

Letter c

Self-explanatory.

Letter d

Self-explanatory.

Letter e

Examples of records of interactions in a GMS include proof of written communication of meeting participants (chatting).

Letter f

In addition to facilitating shareholders who will appoint their proxies in the GMS, the proxy appointment feature is needed to address a situation where the e-GMS or the system provided by the Publicly Owned Company lacks the capacity to be accessed simultaneously by all entitled GMS participants due to technical issues or disruptions in the electronic connection during the holding of electronic GMS.

Clause (2)

Self-explanatory.

Clause (3)

Self-explanatory.

Article 11

Self-explanatory.

Article 12

Self-explanatory.

Article 13

Self-explanatory.

Article 14

The intended meaning of "certain actions", among others, may be in the form of postponing the organization of the GMS.

Article 15

Self-explanatory.

Article 16

Clause (1)

Self-explanatory.

Clause (2)

The agreement between e-GMS Provider and e-GMS Users shall be implemented in accordance with the provisions of laws and regulations.

Article 17

Self-explanatory.

SUPPLEMENT TO THE STATE GAZETTE OF THE REPUBLIC OF INDONESIA
NUMBER 6491