

PRESS RELEASE

OECD AND OJK LAUNCH G20/OECD PRINCIPLES OF CORPORATE GOVERNANCE

Jakarta, December 3, 2015. Financial Services Authority (OJK) and the Organization for Economic Co-operation and Development (OECD) launched the new G20/OECD Principles of Corporate Governance in Jakarta as an act of OJK's participation to support implementation of G20/OECD Principles of Corporate Governance first launched in September 2015 at G20 summit in Ankara, Turkey.

The new G20/OECD Principles of Corporate Governance is a revision of the previous version that give recommendations to national decision makers on the subjects of shareholders' rights, executive remuneration, information disclosure, institutional investors behavior, and how stock exchange mechanism should function.

Corporate governance is an important element for investment and financing through capital market, and the key to improve long-term economic growth.

The G20 leaders have given at their meeting in November their official support on G20/OECD Principles of Corporate Governance as a global standard for corporate governance, which is hoped to be able to help policymakers to evaluate and improve corporate governance framework in effort to promote financing through capital market and to increase long-term investment.

OJK's Chief Executive for Capital Market Supervision Nurhaida said in her speech in Jakarta on Thursday (Dec. 3, 2015) that the new G20/OECD Principles of Corporate Governance will complete principles of good corporate governance that OJK has been implementing. "Corporate governance plays an important role to support practitioners in financial services sector, especially in capital market, so that they run their business in accordance with the principles of appropriateness, transparency, accountability, responsibility and independency in effort to gain trust from investors and other stakeholders," she said.

OJK has previously issued OJK regulation on implementation of good corporate governance for public listed companies, which comprises five aspects: (1) Relation between public listed companies with shareholders in ensuring the rights of shareholders; (2) Function and roles of board of commissioners; (3) Function and roles of directors; (4) Participation from stakeholders; and (5) Information disclosure.

It is hoped that implementation of the new principles can facilitate market players to adapt their implementation of good corporate governance in accordance with changes and business growth nowadays in effort to boost growth and sustainability of financial services sector in Indonesia. Thereby, such implementation can maintain resilience of financial services sector and economic growth both in normal and crisis conditions.

The launching of the new G20/OECD Principles of Corporate Governance was preceded by a seminar themed Indonesia-OECD Corporate Governance Policy Dialogue on Wednesday (Dec. 2, 2015), which was a dialogue forum on the roles, responsibilities and supervision of good corporate governance in financial conglomerates.

Implementation of the new principles is hoped to create trust, transparency and accountability so that financial services sector can develop and expand access as well as opportunities for investment and long-term financing through capital market.

Revisions covered in the new G20/OECD Principles of Corporate Governance are divided into 6 chapters. Additional revisions have been added into the following chapters:

1. Groundwork for effective governance.
2. Rights and fair treatment for shareholders and key function of ownership.
3. Institutional investors, capital market and other intermediaries.
4. Roles of stakeholders in governance.
5. Transparency and information disclosure.
6. Responsibilities of directors and board of commissioners.

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