

**PRESS RELEASE**  
**OJK ISSUES LICENSING RULES**  
**FOR UNDERWRITERS AND BROKERS-DEALERS**

---

**Jakarta, May 4, 2016** — The Financial Services Authority (OJK) issued OJK Regulation No. 20/POJK.04/2016 on the Licensing of Securities Companies that Undertake Business Activities as Underwriters and Broker-Dealers. The regulation is enhancement to the Regulation of the Capital Market and Financial Institution Supervisory Agency (Bapepam-LK) No. V.A.1.

This OJK regulation aims to improve the quality of Underwriters and/or that of Brokers-Dealers by, among others, promoting good governance and raising ownership, control, and management qualities.

The main points of OJK Regulation No. 20/POJK.04/2016 are as follows:

- a. Requirements and procedures for applying for licenses as securities companies that conduct business activities as Underwriters and/or as Brokers-Dealers.
- b. Requirements and procedures for applying for approvals on carrying out other activities.
- c. Revocation of business licenses and annulment of approvals for other activities.
- d. Ownership and control.
- e. Requirements and list of documents to be submitted for candidates of shareholders, of controlling shareholders, of members of board of directors, and of members of board of commissioners, for the purpose of fit and proper test.
- f. Further obligations for Underwriters and/or for Brokers-Dealers.
- g. Particular matters, including:
  - 1) continuing education program for members of boards of directors and members of boards of commissioners;
  - 2) restrictions to not act as shareholders, controlling shareholders, members of boards of directors, or members of boards of commissioners before the OJK states that they have passed the fit and proper tests that it conducts;
  - 3) protection for any member of boards of directors and/or any staff working at compliance departments who report violations committed by their securities companies;
  - 4) requirements concerning corporate identities, including the use of the word “Securities” in the name of securities companies;

Under this OJK Regulation, Underwriters and/or Brokers-Dealers have 6 (six) months to adjust to:

1. development and implementation of written policies and procedures concerning the research outcome, in order to ensure that researches are conducted in independent manners; and
2. other activities carried out by Underwriters and/or Brokers-Dealers.

Further, the OJK also gives a period of 1 (one) year to Underwriters and/or Brokers-Dealers to adjust to provisions on prohibited sources of funding, which come from loans or financing facilities in any form, for the purpose of owning shares in an underwriter and/or broker-dealer.

For complete version of the OJK Regulation described above, please visit OJK website at <http://www.ojk.go.id>

\*\*\*

For more information:

Luthfy Zain Fuady, Director of Capital Market Regulation  
Telephone +62 21 2960 0000 Email: [luthfy.zain@ojk.go.id](mailto:luthfy.zain@ojk.go.id)