

NEW BAPEPAM-LK REGULATION ON ANNUAL REPORTS OF PUBLIC OR LISTED COMPANIES

Oct 31, 2012

On 1 August 2012, the Indonesian Capital Market and Financial Institution Supervisory Board ("**Bapepam-LK**") issued a new regulation on Annual Reports of Public or Listed Companies, Bapepam-LK Regulation Number X.K.6. The regulation requires information on the primary and directly or indirectly controlling shareholders of listed companies, up to individuals, to be provided in the form of a scheme or diagram in their annual reports. This will certainly have implications for the transparency issues since Bapepam-LK's monitoring and control of public companies will be tighter under the new regulation. In addition, there will be a significant legal barrier for investors who intend to obtain control of public companies without triggering any of the legal obligations they would have with a direct take over or direct shareholding.