

# PROCEDURE FOR COLLECTING OJK FEES

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The Financial Services Authority (“OJK”) issued Regulation No.3/POJK.02/2014 on the Procedure for Collecting Fees charged by the Financial Service Authority (“OJK Regulation”) on 1 April 2014.

The OJK Regulation provides guidelines for the OJK’s collection of fees from financial services institutions and financial services industry support professionals and their firms (Public Accounts, Public Assessors, Legal Consultants, Notaries, Actuaries). The OJK Regulation implements Government Regulation No. 11 of 2014 on Fees charged by the Financial Services Authority (“Government Regulation”).

Under the Government Regulation, financial services institutions, support professionals and their firms are subject to two types of fees:

1. Direct Service Fees, covering: licensing, approvals, registrations, endorsements, studies on corporate action plans; and
2. Annual Fees. The OJK Regulation provides further details on:
  - a) the procedure for paying OJK fees;
  - b) the collection of direct service fees for registering IPO1 plans with the OJK and assessing corporate restructurings (mergers, consolidations, and acquisitions);
  - c) the collection of annual fees from support professionals and their firms;
  - d) verification of the payment of fees; and
  - e) notices of late payment.

The OJK Regulation is relevant to all financial service providers and support professionals and their firms (collectively to as “fee payers”).

## Payment and OJK Fees

Fee payers are required to pay the OJK fees at appointed banks by completing the prescribed forms which will be provided in a separate OJK circular letter.

The OJK Regulation allows 45 days after paying the fee to submit an application for any of the OJK's direct services. Failure to submit an application within the deadline will result in forfeiture of the payment. It should be noted, however, that the OJK Regulation is silent on whether an application can still be processed after the expiry of the deadline.

#### IPO Registration Fee.

The registration fee for an IPO is set at 0.05% (up to IDR 750 million) of the value of shares offered to the public. The value of the offered shares is determined from the total funds collected during the allocation and IPO stage, to be reported to the OJK in a document called the Confirmation of Stock Value. This must be submitted to the OJK within two days of the IPO taking place as the basis for determining the fee for the IPO's registration.

#### Fee for Assessing MCA Plans.

The fee for assessing a merger or consolidation plan of a listed company is set at 0.05% (up to IDR 250 million) of the company's final asset value according to the pro forma financial statement.

If the fee has been paid, but it is later determined (by the financial service provider or the OJK) that the payment was less or more than required, it must be settled within five days of the merger or consolidation being performed.

Specifically for acquisitions of listed companies, the assessment fee is set at IDR

25 million, and must be paid on the same day as the OJK receives the announcement of the negotiations on the takeover.

#### Collection of Annual Fees.

Fee payers must pay an annual fee upon securing a license, approval, registration, endorsement or study of their corporate action plans from the OJK.

#### Annual Fee.

Pursuant to Section II of the Appendix to the Government Regulation, fee payers must pay the annual fees so that the OJK can perform its financial sector supervisory role. Fee payers pay the annual fee in four installments (25% each) during the year.

If a fee payer must pay a fee for activities that do not continue for a whole year, then the fee will be calculated on a pro rata basis.

#### Annual Fee for Support Professions and their Firms.

Support professionals and their firms must pay two types of annual fees:

- a) 1.2% of the value of each of their service contracts in the financial services sector (support professional's firm); and
- b) a fixed annual fee of IDR 5 million (support professionals).

The a. fees in a above can be paid in installments following the installment schedule, while the fees in b. must be paid by 15th June each year.

#### Fee Payment Verification.

On receiving a fee, the OJK will verify the payment (on a regular or ad-hoc basis). This verification is intended to ensure that payments are recorded in the OJK's accounts and the fees comply with each fee payers' obligations.

The OJK will forward the verification results to the fee payer who then has seven days to respond to the result of the verification. If no response is received within seven days, it will constitute acceptance by the fee payer.

If the verification result reveals a shortage or overpayment, it will be added or deducted from the current annual fee.

#### Notice of Late Payment.

Failure to pay a fee on time will result in written warnings and fines being imposed on the fee payer. Written warnings will be issued twice at 30 day

intervals. Upon receiving a written warning, the fee payer will be fined 2% of the overdue fee (up to 48% of the overdue fee in one month). Additionally, the OJK is authorized to impose other administrative fines.

If a fee payer does not pay the overdue fees and fines within a year, the unpaid fees and fines will be treated as state receivables

