

AGMS and LKPM Reports

AGMS

We would like to remind you of the Annual General Meeting of Shareholders ("AGMS") that according to Article 78 (2) of the Company Law, must be held no later than 6 (six) months after the end of each financial year.

The AGMS will also be subject to your company's Articles of Association. It may be held in a formal meeting or as circular resolutions.

In the AGMS, the Board of Directors ("BOD") is required to submit its annual report that has been examined by the Board of Commissioners ("BOC") to the shareholders for their approval. Article 66 (2) of the Company Law requires the annual report to contain at least the following:

- (i) a financial statement, consisting of at least the balance sheet for the previous financial year in comparison to the past financial year, the income statement of the relevant financial year, the cash flow statement, the statement of changes in equity, and notes about the financial statement. This financial statement must be ratified by the shareholders of the Company;
- (ii) a report on the company's activities (including the results achieved during the previous year);
- (iii) a report on the implementation of Corporate Social and Environmental Responsibility;
- (iv) details of problems arising during the financial year which have affected the company's business activities;
- (v) a report on the supervisory tasks that have been performed by the BOC during the previous financial year;
- (vi) the names of the members of the BOD and the BOC; and
- (vii) the salaries, allowances and other benefits of the members of the BOD and the salaries or honoraria and allowances of the members of the BOC for the previous year.

This annual report must be signed by all the members of the BOD and BOC during the period covered by the annual report. If any members of the BOD or the BOC do not sign the annual report, they must state the reasons for their refusal in writing or the BOD may also explain the reasons (e.g. the relevant member has passed away) in a separate letter attached to the annual report.

AGMS may also resolve other matters, such as distribution of dividends, appointment of members of the BOD and/or the BOC, appointment of auditor of the Company etc.

Makarim & Taira S.

Summitmas I, 16th & 17th Fls.
Jl. Jend. Sudirman Kav. 61-62
Jakarta 12190
Indonesia

P: (62-21) 5080 8300, 252 1272
F: (62-21) 252 2750, 252 2751
www.makarim.com

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LKPM Reports

In addition, a company, some or all of the shares of which are held by foreigners (a PT PMA), is required to submit investment activity reports ("LKPM Reports") to the Investment Coordinating Board ("BKPM") under BKPM Regulation No. 14 of 2017 on The Guidelines and Procedure for Capital Investment Supervision ("BKPM Regulation 14/2017").

A company, either a domestic or a foreign investment company, that has not yet obtained a Business License (or *Izin Usaha*), must submit the LKPM Report every quarter by the following deadlines to the BKPM online system:

- a. 1st Quarter (January - March) : by 10 April
- b. **2nd Quarter (April - June)** : **by 10 July**
- c. 3rd Quarter (July - September) : by 10 October
- d. 4th Quarter (October - December) : by 10 January of the following year

A domestic or foreign investment company that already holds a Business License, must submit its LKPM Report every (6) six months by the following deadlines to the BKPM online system:

- a. **1st semester (January - June)** : **by 10 July of the same year**
- b. 2nd semester (July - December) : by 10 January of the following year

BKPM emphasizes that investors must comply with this obligation. Under Article 33 (1) and (3) of BKPM Regulation 14/2017, for failing to submit an LKPM three times in a row, the company's investment license and/or facility may be revoked.

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