



FINANCIAL SERVICES AUTHORITY
REPUBLIC OF INDONESIA

REGULATION OF THE FINANCIAL SERVICES AUTHORITY
NUMBER 35/POJK.04/2014

CONCERNING
CORPORATE SECRETARY OF ISSUERS OR PUBLIC COMPANIES

BY THE GRACE OF GOD THE ALMIGHTY
THE BOARD OF COMMISSIONERS OF THE FINANCIAL SERVICES AUTHORITY,

- Considering:
- a. that in order to encourage the performance of Issuers or Public Companies, protect the interest of stakeholders and improve compliance with laws and regulations, it is necessary to implement good corporate governance;
 - b. that in order to increase transparency, services, and communication of Issuers or Public Companies with the stakeholders as the realization of good corporate governance principles, the qualifications and roles of corporate secretaries should be increased by improving the regulation regarding corporate secretaries of Issuers or Public Companies;
 - c. that based on the considerations as referred to in point a and point b, it is necessary to stipulate a Regulation of the Financial Services Authority concerning Corporate Secretaries of Issuers or Public Companies;

- In view of :
1. Law Number 8 of 1995 concerning Capital Markets (State Gazette of the Republic of Indonesia of 1995 Number 64, Supplement to the State Gazette of the Republic of Indonesia number 3608);
 2. Law Number 21 of 2011 concerning the Financial Services Authority (State Gazette of the Republic of Indonesia of 2011 Number 111, Supplement to the State Gazette of the Republic of Indonesia 5253);

DECIDED:

To stipulate: REGULATION OF THE FINANCIAL SERVICES AUTHORITY CONCERNING CORPORATE SECRETARY OF ISSUERS OR PUBLIC COMPANIES.

CHAPTER I GENERAL PROVISIONS

Article 1

Terminologies used in this Financial Services Authority Regulation are defined as follows:

1. Corporate Secretary refers to an individual or a working unit responsible to carry out corporate secretary functions.
2. Website refers to a collection of web pages containing information or data that can be accessed through the internet.

Article 2

- (1) An Issuer or Public Company should have corporate secretary functions.
- (2) The corporate secretary functions as referred to in clause (1) are carried out by:
 - a. an individual; or
 - b. a working unit.

- (3) The working unit as referred to in clause (2) point b is led by a person in charge.

Article 3

- (1) A Corporate Secretary is appointed and dismissed based on the decision of the Board of Directors.
- (2) A member of the Board of Directors can concurrently serve as the Corporate Secretary as referred to in clause (1).
- (3) A Corporate Secretary is prohibited from having any position at other Issuers or Public Companies.

Article 4

- (1) If the position of Corporate Secretary is vacant, the Issuer or Public Company shall appoint a replacement within 60 (sixty) days since the occurrence of the vacancy.
- (2) During the vacancy as referred to in clause (1), the Corporate Secretary functions can be concurrently carried out by a member of Board of Directors or an individual appointed as an interim Corporate Secretary without having to fulfill Corporate Secretary requirements, which are stipulated in this Regulation of the Financial Services Authority.

CHAPTER II

DUTIES AND RESPONSIBILITIES

Article 5

Duties of a corporate secretary include at least:

- a. closely monitoring the development of Capital Market sector, particularly with regard to relevant Capital Market laws and regulations;
- b. providing inputs to the Board of Directors and Board of Commissioners of the Issuer or Public Company in order to

- comply with laws and regulations in the Capital Market sector;
- c. assisting the Board of Directors and Board of Commissioners in implementing good corporate governance, which includes:
1. disclosure of information to the public, including availability of information on the Website of the Issuer or Public Company;
 2. timely submission of report to the Financial Services Authority;
 3. organizing and documenting the General Meeting of Shareholders;
 4. organizing and documenting the meetings of Board of Directors and/or Board of Commissioners; and
 5. organizing corporate orientation programs for the Board of Directors and/or Board of Commissioners.
- d. As a liason between the Issuer or Public Company and its shareholders, the Financial Services Authority, and other stakeholders.

Article 6

- (1) A Corporate Secretary and staffs in the working unit conducting corporate secretary functions should maintain the confidentiality of classified documents, data and information except in the context of complying with laws and regulations or unless required otherwise by laws and regulations.
- (2) The Corporate Secretary and staffs in the working unit conducting corporate secretary functions are prohibited from taking personal advantages either directly or indirectly, which inflicts loss to the Issuer or Public Company.

Article 7

In order to increase the knowledge on and understanding of their duties, Corporate Secretaries are required to attend relevant education and/or trainings.

Article 8

- (1) A Corporate Secretary is responsible to the Board of Directors.
- (2) Any information given by the corporate secretary to the public is considered as official information from the Issuer or Public Company.

CHAPTER III

REQUIREMENTS FOR CORPORATE SECRETARIES

Article 9

- (1) A Corporate Secretary should at least meet the following requirements:
 - a. is legally competent;
 - b. has knowledge on and understanding in the field of law, finance, and corporate governance;
 - c. Understand the business activities of the Issuer or Public Company;
 - d. has good communication skill; and
 - e. domicile in Indonesia.
- (2) The requirements as referred to in clause (1) must be met during his/her tenure as a Corporate Secretary.

CHAPTER IV

REPORTING AND DISCLOSURE

Article 10

- (1) Issuers or Public Companies are required to:

- a. submit reports on the appointment and dismissal of their Corporate Secretary as referred to in Article 3 clause (1) to the Financial Services Authority;
 - b. upload information onto their websites concerning the appointment and dismissal as referred to in Article 3 clause (1) and vacant position of Corporate Secretary as referred to in Article 4,
accompanied with supporting information.
- (2) The submission of report to the Financial Services Authority and uploading of information onto the Website as referred to in clause (1) should be done not later than 2 (two) working days after the appointment and dismissal take place.

Article 11

- (1) A Corporate Secretary is required to submit a regular report to the Board of Directors with a copy to the Board of Commissioners at least once a year concerning the implementation of corporate secretary functions.
- (2) Issuers or Public Companies should disclose in their annual report a short description on the implementation of corporate secretary functions and information on education and/or trainings that have been attended by their Corporate Secretaries as referred to in Article 7.

CHAPTER V

PROVISIONS ON SANCTIONS

Article 12

- (1) By no means undermining criminal stipulations in the Capital Markets Sector, the Financial Services Authority is authorized to impose the following administrative sanctions against any parties who violate provisions in this Financial

Services Authority Regulation including parties who cause those violations.

- a. written warning;
 - b. penalty, namely an obligation to pay a certain amount of money;
 - c. restriction of business activity;
 - d. suspension of business activity;
 - e. revocation of business license;
 - f. cancellation of approval; and
 - g. cancellation of registration
- (2) Administrative sanctions as mentioned in clause (1) point b, point c, point d, point e, point f, or point g can be imposed with or without being preceded by an administrative sanction in the form of written warning as referred to in clause (1) point a.
- (3) The administrative sanction in the form of penalty as referred to in clause (1) point b can be imposed individually or collectively with other administrative sanctions as mentioned in clause (1) point c, point d, point e, point f or point g.

Article 13

In addition to the administrative sanctions as mentioned Article 12 clause (1), the Financial Services Authority can exercise particular actions against any party who violates stipulations in this Regulation of the Financial Services Authority.

Article 14

The Financial Services Authority can publicize the imposition of administrative sanctions as referred to in Article 12 clause (1) and other particular actions as referred to in Article 13.

CHAPTER VI
TRANSITIONAL PROVISIONS

Article 15

Issuers or Public Companies must comply with provisions in this Regulation of the Financial Services Authority not later than 6 (six) months since the promulgation of this Regulation of the Financial Services Authority.

CHAPTER VII
CLOSING PROVISIONS

Article 16

Provisions concerning corporate secretaries in other laws and regulations shall remain valid for Issuers or Public Companies, provided that they do not contradict provisions in this Regulation of the Financial Services Authority.

Article 17

At the time this Regulation of the Financial Services Authority comes into effect, the Decree of the Chairman of Indonesian Capital Markets and Financial Institutions Supervisory Agency number KEP-63/PM/1996 dated 17 January 1996 concerning the Establishment of Corporate Secretaries and Regulation Number IX.I.4 as its Annex shall be revoked and deemed no longer applicable.

Article 18

This Regulation of Financial Services Authority shall come into effect upon its promulgation.

For public cognizant, it is hereby ordered that this Regulation of the Financial Services Authority be promulgated in the State Gazette of the Republic of Indonesia.

Enacted in Jakarta
On 8 December 2014
CHAIRMAN OF BOARD OF
COMMISSIONERS OF
THE FINANCIAL SERVICES AUTHORITY,

[signed]

MULIAMAN D. HADAD

Promulgated in Jakarta:
On 8 December 2014

THE MINISTER OF LAW AND HUMAN RIGHTS
THE REPUBLIC OF INDONESIA

[signature]

YASONNA H. LAOLY

THE STATE GAZETTE OF THE REPUBLIC OF INDONESIA
OF 2014 NUMBER 377

A copy of the original document
Director of Legal I
Legal Department,

[signature]
Tini Kustini

ELUCIDATION
OF
REGULATION OF FINANCIAL SERVICES AUTHORITY
NUMBER 35/POJK.04/2014
CONCERNING
CORPORATE SECRETARY OF ISSUERS OR PUBLIC COMPANIES

I. GENERAL

As defined in the Republic of Indonesia's Law Number 40 of 2007 concerning Limited Liability Company, a Company is a legal entity constituting a capital alliance, established under an agreement, which conducts business activities with the initial capital that is entirely divided into shares and satisfies the requirements as stipulated in the Law and its implementing regulations. In that regard, it is necessary for Issuers or Public Companies to manage their capital properly based on a good corporate governance mechanism. It is expected that the implementation of good governance will bring positive impacts to the sustainability of businesses of Issuers or Public Companies so as to increase the confidence of shareholders and other stakeholders.

As a legal entity, an Issuer or Public Company has 3 (three) organs that run its business, namely the General Meeting of Shareholders, the Board of Commissioners, and the Board of Directors. The Board of Directors as one of the organs of the Issuer or Public Company is collegially responsible in managing the Issuer or Public Company. In that role, the Board of Directors should ensure smooth communication between the Issuer or Public Company and its stakeholders, among others, by empowering corporate secretary functions. With the improvement of the economy, especially in the Capital Market sector, the roles of corporate secretary are increasingly required not only in administration and communication functions, but also in ensuring the compliance of Issuers or Public Companies with laws and regulations, and improving the implementation of corporate governance of Issuers or Public Companies. A Corporate Secretary is expected to constantly update information on regulations that are adhered to by

the Issuer or Public Company and provide crucial information to the Board of Directors or Board of Commissioners for decision making purposes.

Corporate Secretaries are required to have qualifications suitable for the duties and responsibilities, and increase their knowledge and skills to support them in performing their tasks. The existence of Corporate Secretaries gives a positive value in supporting the management of Issuers or Public Companies so as to increase the confidence of shareholders and other stakeholders.

Considering the importance of the roles and functions of Corporate Secretary, it is necessary to improve Regulation Number IX.I.4, which is an Annex to the Decree of the Chairman of Capital Markets and Financial Institutions Supervisory Agency Number KEP-63/PM/1996 dated 17 January 1996 concerning the Establishment of Corporate Secretary.

II. ARTICLE BY ARTICLE

Article 1

Self-explanatory.

Article 2

Self-explanatory.

Article 3

Self-explanatory.

Article 4

Clause (1)

The vacancy of Corporate Secretary position can be caused by, among others, the end of tenure, dismissal, resignation, or permanent incapacity of a Corporate Secretary.

Clause (2)

Self-explanatory.

Article 5

Point a

Self-explanatory.

Point b

Providing inputs to the Board of Directors can be given for example inputs with regard to the obligation to hold meetings of Board of Directors or Board of Commissioners, as stipulated in the Regulation of the Financial Services Authority concerning the Board of Directors and Board of Commissioners of Issuer or Public Company.

Point c

Number 1

Self-explanatory.

Number 2

Self-explanatory.

Number 3

Self-explanatory.

Number 4

Self-explanatory.

Number 5

In practice, orientation programs are known as induction programs for the newly appointed members of the Board of Directors and/or Board of Commissioners.

Point d

Self-explanatory.

Article 6

Self-explanatory.

Article 7

The education or trainings referred in this Article can be obtained through trainings, socialisation, or seminars conducted by competent parties.

Article 8

Self-explanatory.

Article 9

Clause (1)

Point a

Self-explanatory.

Point b

The knowledge and understanding can be proven by, among others, educational background, work experience, and/or particular trainings undertaken.

Point c

Self-explanatory.

Point d

Self-explanatory.

Point e

Self-explanatory.

Clause (2)

Self-explanatory.

Article 10

Clause (1)

Supporting information referred to in this Article can be in the form of a curriculum vitae, reasons for the dismissal or vacancy and/or information on the resignation of the Corporate Secretary.

Clause (2)

Self-explanatory.

Article 11

Self-explanatory.

Article 12

Self-explanatory.

Article 13

“Particular actions” can be in the form of among others:

- a. the suspension of effective statement, for example effective statement for business consolidation, merger; and
- b. the suspension of statement from the Financial Services Authority concerning the absence of further response to documents submitted to the Financial Services Authority for the purpose of increasing capital through Rights Issue by a Public Company.

Article 14

Self-explanatory.

Article 15

Self-explanatory.

Article 16

Self-explanatory.

Article 17

Self-explanatory.

Article 18

Self-explanatory.