

## **New IDX Rule I-A: Key Reforms to Free Float, Listing Requirements and Governance**





## Background

On 31 Maret 2026, the Indonesian Stock Exchange (“**IDX**”) amended its listing rules set out in the Regulation No. I-A under the IDX Board of Directors Decision Letter No. Kep-00045/BEI/03-2026 (“**New Reg I-A**”) and issued Circular Letter No. SE-00004/BEI/03-2026 of 2026 (“**IDX Circular Letter**”) on the elucidation of certain provisions under New Reg I-A. These amendments aim to increase transparency level, bolster market liquidity, aligning Indonesia’s regulatory framework with international market standards amid increasing scrutiny from global financial market participants.

New Reg I-A supersedes the previous framework issued in 2021 (“**Previous Reg I-A**”) and introduces several amendments to the existing listing requirements and free float thresholds, as well as new provisions on controlling shareholder lock-up, enhanced financial governance and mandatory professional development for listed company’s management and oversight bodies. While the New Reg I-A is effective immediately, certain provisions are subject to transitional arrangements and will come into effect at different dates.

The following sections outline these key changes and their practical implications for listed companies and relevant stakeholders.

## Key Update and Changes

- **Increase in Free Float Thresholds to Stay Listed**

Previous Reg I-A required a minimum free float of 7.5% of the total listed shares for a listed company to maintain its listing status. New Reg I-A increases this threshold to 15% (or such other percentage approved by the IDX at listing). The new threshold must be met on a phased basis, depending on each listed company’s market capitalisation<sup>1</sup> and free float position as of 31 March 2026. These deadlines may be adjusted by IDX, subject to market conditions and approval or instruction from the Indonesia Financial Services Authority (*Otoritas Jasa Keuangan*):

Listed Company’s Market Capitalisation Size and Free Float Position (as of 31 March 2026)	Interim Target	Final 15% Deadline
≥IDR 5 trillion with free float <12.5%	12.5% by 31 March 2027	31 March 2028
≥IDR5 trillion with free float between 12.5% to <15%		31 March 2027
<IDR5 trillion (regardless of free float level)		31 March 2029

<sup>1</sup> Market capitalisation is calculated by multiplying the total number of listed shares by the offering price (for listing companies) or the market price (for already listed companies).



New Reg I-A also provides that companies currently under sanction for non-compliance with the 7.5% requirement will remain subject to those sanctions, which will continue to accrue until the requirement in New Reg I-A is met.

- ***New Free Float Shares Definition***

The New Reg I-A refines the definition of “free float shares” by introducing additional criteria on the types of shares that may be counted toward the public float.

Under the previous regime, free float shares generally referred to shares held by public shareholders (i.e., below 5%), and excluded (i) shares held by the listed companies’ controlling shareholders and their affiliates, (ii) shares held by the listed companies’ directors and commissioners, and (iii) treasury shares. The revised definition retains these exclusions but further clarifies that only scripless shares that are listed on the IDX may be counted as free float shares.

Importantly, New Reg I-A also expressly excludes shares that are subject to transfer restrictions from being treated as free float. IDX Circular Letter provides examples of such restricted shares, including shares under lock-up arrangements (whether regulatory or corporate transaction-driven), shares held by venture capital or private equity investors and/or shares subject to seizure or blocking imposed by authorities. This refinement provides greater certainty and aligns the concept of free float more closely with actual market liquidity, by ensuring that only freely tradable shares are taken into account.

That said, listed companies may proactively apply to IDX for certain shareholders to be classified as free float shareholders, provided that the beneficial owner of such shares is a public investor. The relevant categories of shareholders that may qualify include, among others, insurers and/or reinsurers, pension funds, foreign sovereign wealth funds, mutual funds and securities companies (brokerages), and social security agencies. Notably, such shares may only be recognised as free float where the relevant shareholding is below 10% of the total listed shares.

- ***New Free Float Thresholds and Measurement Basis at Listing***

IDX has increased the minimum free float requirements at the time of listing. Most notably, the framework shifts from equity-based assessment to a market capitalisation-based approach in determining the applicable thresholds. This represents a more market-aligned methodology, linking public float requirements to the issuer’s valuation at listing rather than its historical financial position.

Previous Reg I-A		New Reg I-A	
Equity (IDR)	Minimum Free Float	Market Capitalisation (IDR)	Minimum Free Float
<500 billion	20%	<5 trillion	25%



500 billion – 2 trillion	15%	Rp5 trillion – 50 trillion	20%
>2 trillion	10%	>50 trillion	15%

In addition, IDX retains discretion to prescribe a different minimum free float requirement for listing companies conducting raising of at least IDR30 trillion, allowing flexibility for large-scale offerings.

From a compliance perspective, New Reg I-A also provides that: (i) pre-IPO shareholders are excluded from the calculation of free float; and (ii) the required free float must be maintained for at least 12 months post-listing, reinforcing that compliance is not merely a point-in-time obligation.

Overall, these changes are likely to enhance market liquidity and improve price discovery. At the same time, prospective issuers, particularly mid-sized companies, will need to carefully structure their offering size and shareholder composition to meet the higher thresholds at listing.

- ***Mandatory Appointment of Certified Financial Statement Preparer***

New Reg I-A now requires listing and listed companies to appoint at least one financial statement preparer, either a Director or an employee, who holds an accounting qualification (such as a Chartered Accountant or a Certified Public Accountant) issued by a recognised professional organization in Indonesia or internationally. If this requirement is not met, they must engage an external practicing or public accountant to fulfil this role. This requirement will take effect on 31 March 2027.

- ***Continuing Education Requirement***

IDX also requires the Directors, the Commissioners and Audit Committee members of listing and listed companies to complete continuing education on capital markets and corporate governance. However, this requirement will take effect only upon the issuance of the relevant IDX circular letter, which will set out the detailed requirements.

- ***Controlling Shareholder Lock-Up***

IDX has introduced a lock-up framework for controlling shareholders of newly listed companies. Pursuant to New Reg I-A, where required by IDX, a controlling shareholder must retain control and is prohibited from transferring part or all of its shares for at least 12 months from the listing date, or such other period as may be determined by IDX, taking into account the controlling shareholder's strategic role and investor protection considerations.

The IDX Circular Letter further elaborates that controlling shareholders holding more than 50% of the shares may only transfer shares to the extent that their ownership remains above 50%, while those holding 50% or less are prohibited from transferring any shares during the lock-up period. These restrictions also apply to any new controlling shareholders as disclosed in the prospectus.



Controlling shareholders of listing company should factor in restricted exit flexibility post-listing, which may impact structuring of pre-IPO shareholding, the timing of sell-downs and overall liquidity planning.

## Conclusion

New Reg I-A represents a significant overhaul in Indonesia's listing framework, reflecting a clear regulatory intent to enhance market quality, transparency and liquidity. By increasing both initial and continuous free float thresholds and refining the definition of free float to focus on genuinely tradable shares, the IDX is aligning its regime more closely with international standards and addressing long-standing concerns around limited public float and thin trading volumes in the market.

At the same time, New Reg I-A introduces more rigorous and ongoing compliance obligations for both prospective and existing listed companies. The shift to a market capitalisation-based approach, combined with stricter continuous free float requirements and controlling shareholder lock-up restrictions, will require listing and listed companies to take a more strategic and forward-looking approach in structuring IPOs, managing shareholder composition and planning post-listing actions. Enhancements in financial governance and mandatory continuing education further underscore the IDX's focus on strengthening overall market discipline and corporate accountability. Companies are expected to monitor the issuance of relevant IDX circular letters governing these requirements.

During the socialisation, IDX indicated that it would adopt a facilitative and cooperative approach in implementing these changes. Listed companies should expect formal letters from IDX outlining applicable grace periods and requesting clarification on each company's compliance plan. During the transition period (April 2026 to the applicable deadlines), IDX will also conduct stakeholder engagement initiatives, including roadshows, public expose sessions, discussions, periodic socialisation and the provision of a dedicated helpdesk for consultation. In light of this, companies are encouraged to proactively engage with IDX and respond to these communications early to ensure timely and effective compliance.



## Contact



Adhika Aditya

**Partner**

+6221 509 046428

[adhika.aditya@ditralaw.com](mailto:adhika.aditya@ditralaw.com)

This Legal Update has been prepared by the Partner named above, with contributions from **Cut Chairunnissa** of Ditra Law Partnership.

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