

PANORAMIC

**EQUITY CAPITAL
MARKETS**

Indonesia



LEXOLOGY

Equity Capital Markets

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Contents

Equity Capital Markets

LEGAL AND REGULATORY FRAMEWORK

Laws and regulations
Regulator

PUBLIC OFFERINGS

Securities exchanges
Mandatory filings
Review of filings
Publicity restrictions
Secondary offerings
Settlement

PRIVATE PLACINGS

Specific regulation
Investor information
Transfer of placed securities

OFFSHORE OFFERINGS

Domiciled issuers
Non-domiciled issuers

PARTICULAR FINANCINGS

Offerings of other securities

UNDERWRITING ARRANGEMENTS

Types of arrangement
Typical provisions
Other regulations

ONGOING REPORTING OBLIGATIONS

Applicability of the obligation
Information to be disclosed

ANTI-MANIPULATION RULES

Prohibitions

PRICE STABILISATION

Permitted stabilisation measures

LIABILITIES AND ENFORCEMENT

Bases of liability

UPDATE AND TRENDS

Recent and proposed changes

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LEGAL AND REGULATORY FRAMEWORK

Laws and regulations

What are the relevant statutes and regulations governing equity securities offerings in your jurisdiction?

Equity securities offerings regulations in Indonesia are spread across various legal instruments. The main regulation is Law No. 8 of 1995 on Capital Market, as recently overhauled by Law No. 4 of 2023 on Financial Sector Development and Reinforcement (Capital Market Law). In addition to the Capital Market Law, equity securities offerings are also governed by implementing rules and guidelines issued by the Indonesian Financial Services Authority (OJK), Indonesia Central Securities Depository (KSEI) and the Indonesian Stock Exchange (IDX).

Several key regulations include: (1) IDX Rule No. I-A, which sets out IDX listing requirements and procedures; (2) Bapepam-LK Rule No. IX.A.2, which provides the principal procedural framework for public offerings; (3) KSEI Regulation No. II-A on the registration of equity securities; and (4) OJK Regulation No. 45 of 2024, which is an omnibus regulation to modernise the capital market regulatory framework, including for equity securities offering.

Law stated - 9 March 2026

Regulator

Which regulatory authorities are primarily responsible for the administration of those rules?

OJK is the principal regulator and supervisory authority for the financial services sector, including the capital markets. Since 2011, OJK has assumed the functions previously carried out by the Capital Market and Financial Institutions Supervisory Agency.

Alongside OJK, there are three Self-Regulatory Organisations managing the capital market's technical operations, namely:

- IDX, being the sole stock exchange in Indonesia, responsible for facilitating offering, listing and trading both equity and debt securities.
- Indonesian Clearing and Guarantee Corporation, being the Indonesian clearing house and central counterparty. It administers securities exchange transaction clearing and settlement guarantee of exchange transactions.
- KSEI, being the central securities depository, responsible for book-entry settlement and central custodial services for securities transactions in Indonesia.

Law stated - 9 March 2026

PUBLIC OFFERINGS

Securities exchanges

What securities exchanges exist in your jurisdiction for the listing and trading of equity securities, and do such exchanges provide alternative listing and market segments?

Historically, Indonesia operated two distinct platforms: the Jakarta Stock Exchange, established in 1977, and the Surabaya Stock Exchange, established in 1989. In 2007, the two exchanges merged to form the Indonesian Stock Exchange (IDX). Today, IDX is the only securities exchange in Indonesia for the listing and trading of equity securities. IDX has four listing segments (boards):

- Main Board, generally intended for established companies with a proven financial and operational track record;
- New Economy Board, which caters to technology-driven or innovation-based companies;
- Development Board, designed for companies with moderate scale or shorter operating histories; and
- Acceleration Board, aimed at smaller or early-stage companies seeking access to the capital markets.

Additionally, there is the Watchlist Board that exists to monitor stocks with certain liquidity, compliance or financial issues.

While each board has specific quantitative criteria, all prospective issuers must satisfy these general requirements:

- in the form of limited liability company;
- obtain effective registration statement from the Indonesian Financial Services Authority (OJK);
- if the issuer is a subsidiary or parent company of an already listed company, which result in consolidated financial statements, the issuer must submit documents showing whether the following conditions are met:
 - if they are no longer affiliated each other, each company can continue its operations properly, as assessed by an OJK-registered appraiser; and
 - the already-listed company must still be able to meet the listing requirements as evidenced by its audited pro forma financial statements;
- if the issuer also plans to issue warrants, the price of the warrants must be at less 90% of the offering price, and at least equal to the nominal value;
- enter into an underwriting agreement under a full commitment scheme;
- register its shares with the Indonesia Central Securities Depository (KSEI);
- appoint at least one financial statement preparer, either a director or an employee, who holds an accounting qualification from a recognised professional organisation in Indonesia or internationally. Alternatively, it must engage an external practising or public accountant to fulfil this role. This requirement will take effect on 31 March 2027; and
- Directors, Commissioners and Audit Committee members must have completed continuing education related to capital markets and corporate governance, which will

be further detailed and become effective upon the issuance of the corresponding IDX circular letter.

In addition to the general requirements above, the main requirements specific to each board are as follows:

	Main Board/New Economy Board	Development Board	Acceleration Board
Minimum share price at initial listing	IDR100 per share	IDR100 per share	IDR50 per share
Audited financial report	Audited financial statements for the past three financial years; specifically, the past two financial years and the latest interim period (if any) must carry unmodified opinions.	Audited financial statements for the most recent financial year (minimum 12 months) and latest interim period (if any), with unmodified opinions.	Audited financial statements for the most recent financial year (or since incorporation if established less than one year), with an unmodified opinion.
Market capitalisation or financial thresholds	<p>Must meet at least one of the following tests prior to the listing date:</p> <ul style="list-style-type: none"> • profit before tax in the last financial year and Net Tangible Assets \geq IDR250 billion; • cumulative profit before tax in the last two financial years \geq IDR100 billion and market capitalisation \geq IDR1 trillion; • 	<p>Must meet at least one of the following tests prior to the listing date:</p> <ul style="list-style-type: none"> • net tangible assets \geq IDR50 billion; • cumulative profit before tax in the last two financial years \geq IDR10 billion and market capitalisation \geq IDR100 billion; • operating revenue in the last financial 	<p>No market capitalisation requirement but must qualify as:</p> <ul style="list-style-type: none"> • small - scale issuer (assets \leq IDR50 billion); or • middle - scale issuer (assets > IDR50 billion up to IDR250 billion). <p>In addition, both small - scale and middle - scale issuers must not directly or indirectly controlled by:</p> <ul style="list-style-type: none"> •

	<p>operating revenue in the last financial year \geq IDR800 billion and market capitalisation \geq IDR8 trillion;</p> <ul style="list-style-type: none"> total assets in the last financial year \geq IDR2 trillion and market capitalisation \geq IDR4 trillion; or cumulative operating cash flow (past two years) \geq IDR200 billion and market capitalisation \geq IDR4 trillion. <p>Moreover, it has recorded a positive retained earnings balance in the latest financial statements submitted at the time of the listing application.</p>	<p>year \geq IDR40 billion and market capitalisation \geq IDR400 billion;</p> <ul style="list-style-type: none"> total assets in the last financial year \geq IDR250 billion and market capitalisation \geq IDR500 billion; or cumulative operating cash flow (past 2 years) \geq IDR20 billion and market capitalisation \geq IDR400 billion. 	<p>a controller of another issuer or public company; and/or</p> <ul style="list-style-type: none"> a company with assets \geq IDR250 billion.
Free - float shares after IPO	<p>At least 300 million shares and:</p> <p>\geq25% of the total shares to be listed if the issuer's</p>	<p>At least 150 million shares and:</p> <p>\geq25% of the total shares to be listed if the issuer's</p>	<p>At least 20% of the total shares to be listed.</p>

	<p>pre - IPO market capitalisation</p> <ul style="list-style-type: none"> • ≥20% of the total shares to be listed, if the issuer's pre - IPO market capitalization IDR5 trillion and up to IDR50 trillion; or • ≥15% of the total shares to be listed, if the issuer's pre - IPO market capitalisation ≥ IDR50 trillion. <p>IDX may set a different minimum Free Float share requirement for companies that fundraised ≥30 trillion</p>	<p>pre - IPO market capitalization</p> <ul style="list-style-type: none"> • ≥20% of the total shares to be listed, if the issuer's pre - IPO market capitalisation IDR5 trillion and up to IDR50 trillion; or • ≥15% of the total shares to be listed, if the issuer's pre - IPO market capitalisation ≥ IDR50 trillion. <p>IDX may set a different minimum Free Float share requirement for companies that fundraised ≥30 trillion.</p>	
Minimum number of shareholders	<p>At least 1,000 investors holding Single Investor Identification (SID) accounts, and:</p> <ul style="list-style-type: none"> • for IPO: Calculated based on post - IPO shareholders; and • for spin - offs from public companies: Calculated 	<p>At least 500 investors holding SID accounts, and:</p> <ul style="list-style-type: none"> • for IPO: Calculated based on post - IPO shareholders; and • for spin - offs from public companies: Calculated based on the latest 	<p>At least 300 investors holding SID accounts, calculated based on post - IPO shareholders.</p>

	based on the latest number of shareholders (no later than one month before filing).	number of shareholders (no later than one month before filing).	
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The issuer listing on the New Economy Board must also satisfy the following requirements:

- achieve a compound annual growth rate of at least 30% in revenue over the last three years;
- leverage technology to develop products or services that improve productivity and drive socioeconomic growth; and
- operate within specific sectors, including fintech, autonomous technology, cybersecurity and video gaming.

Law stated - 9 March 2026

Mandatory filings

What regulatory or stock exchange filings must be made in connection with a public offering of equity securities? What information must be included in such filings or made available to potential investors? What information must be publicly disseminated and when?

Capital Market Law define “public offering” as an offer of securities (ie, shares) to the public conducted within the territory of Indonesia or to Indonesian investors through mass media or other means, in a manner that meets the statutory criteria for public distribution, and it is offered to more than 100 parties, or resulting in sales to more than 50 parties, within a specific limit and time frame. Any initial public offering or follow-on public offering of equity securities will trigger the requirement to submit a registration statement to the OJK, along with its supporting documents. The offering may proceed only after the registration statement has been declared effective by the OJK.

Registration statement filing must comply with OJK Regulation No. 7/POJK.04/2017 of 2017, which governs the registration statement documents, and OJK Regulation No. 8/POJK.04/2017 of 2017, which sets out the form and content of prospectus. Registration statement generally includes:

- a prescribed registration statement cover letter;
- prospectus;
- abridged prospectus;
- preliminary prospectus (if applicable); and
- other documents such as audited financial statements, corporate documents, legal opinion and offering timeline.

The prospectus must contain comprehensive disclosure of, among others, information on the issuer including its business activities, risk factors, use of proceeds, capital structure, management and shareholders information, financial information, litigation exposure and material transactions.

In the case of a primary offering, prospective issuer shall also file a listing application to the IDX simultaneous with the registration statement to OJK. IDX approval is required for the securities to be admitted to listing upon effectiveness of the registration statement. The listing application to IDX requires, among others:

- prospectus or preliminary prospectus;
- the issuer's tax number;
- financial projections (generally for at least three years) and underlying assumptions;
- proof of payment of listing fees; and
- statement of compliance with IDX and capital market regulations.

Where the offering is conducted by existing shareholders (a secondary offering), a registration statement must likewise be submitted to the OJK and must be declared effective prior to the commencement of the offering. In addition to the general disclosure requirements applicable to public offerings, additional disclosure is mandated under OJK Regulation No. 76/POJK.04/2017 of 2017. This includes:

- details of the selling shareholder and the underwriter, if applicable;
- details of shares offered; and
- reasons or considerations why the selling shareholder decide to sell their shares.

The information that shall be publicly disseminated are abridged prospectus and final prospectus. Abridged prospectus shall be disclosed within two working days of the OJK issuing its pre-effective statement or publication permit while the final prospectus shall be made available to investors during the offering period.

Law stated - 9 March 2026

Review of filings

What are the steps of the regulatory filing process for a public offering of equity securities? May an offering commence while regulatory review is in progress? How long does it typically take for the review process to be completed?

The issuer (in a primary offering) or the selling shareholder (in a secondary offering) must submit a registration statement to the OJK. OJK will then conducts a substantive review of the registration statement documents and the relevant disclosure. During the review process, OJK may require amendments or additional documents. Within 10 working days of the OJK issuing its comments, issuer must provide its response. The registration statement will become effective on the 20th working day after OJK confirms a complete submission, unless OJK declares it effective earlier.

Concurrently, the issuer must submit a listing application to the IDX, which will reject or issue in-principal approval within 10 trading days of receipt of complete documents.

Although the statutory effectiveness period is 20 working days from confirmation of a complete filing, in practice the overall review process typically ranges between one or two months depending on the structure of the offering and completeness of the disclosure, which may affect the number of comment rounds with OJK. This back-and-forth process usually happens two to three times.

For secondary offerings conducted by existing shareholders, the review timeline is generally comparable, although it may be shorter where the issuer is already a listed company with an established disclosure record.

In practice, public offering is effectively preceded by a bookbuilding conducted on the basis of abridged prospectus and preliminary prospectus. Bookbuilding period typically lasts between seven and 14 business days and may only commence after the OJK issues pre-effective statement. During this phase, underwriters solicit non-binding indications of interest from institutional and, in some cases, retail investors to determine the final offer price. Upon completion of bookbuilding, the issuer must notify the OJK of the final offering size and pricing in order to obtain the effective statement.

Following the effective statement, the offering must last for a period of at least three working days and commence no later than two working days after the effective date. The allotment, settlement and listing will follow in accordance with the agreed offering timetable within the prescribed time frame.

Law stated - 9 March 2026

Publicity restrictions

What publicity restrictions apply to a public offering of equity securities? Are there any restrictions on the ability of the underwriters to issue research reports?

In an Indonesian offering, publicity is strictly regulated throughout the offering process. Prior to the issuance of the pre-effective statement (publication permit) by OJK, issuers and underwriters are generally restricted from publicly promoting the offering. Once the pre-effective statement is issued, the issuer must publish the abridged prospectus and may conduct bookbuilding, but any form of publication, communication or promotional on the offering must be strictly consistent with the approved prospectus. They must not contain information that is false, misleading, promotional in nature or inconsistent from the disclosures set out in the prospectus

As for underwriters, the submission of a research report has recently become a formal legal requirement, rather than merely customary practice, and is effectively a prerequisite for IDX listing approval. Generally, the research report must comply with the provisions prescribed under IDX Letter No. S-05957/BEI.PPU/07-2023 of 2023. While there is no specific statutory restriction on its content, underwriters remain subject to general prohibitions against false or misleading statements and market manipulation. In practice, underwriters must ensure that no material non-public information (MNPI) is used, no misleading projections or unsupported forecasts and it does not contradict the prospectus.

Law stated - 9 March 2026

Secondary offerings

Are there any special rules that differentiate between primary and secondary offerings?

Primary and secondary offerings are generally subject to the same registration-based public offering process under Indonesian capital market regulations. In a primary offering, the issuer issues new shares to investors and must comply with capital market regulations governing share issuance, including pre-emptive rights requirements where applicable. Conversely, secondary offering involves the sale of already-issued shares by existing shareholders to the public and is specifically governed by OJK Regulation No. 76/POJK.04/2017 of 2017.

Law stated - 9 March 2026

Secondary offerings

What are the liability issues for the seller of equity securities in a secondary offering?

Sellers in a secondary offering are subject to the general liability regime under the Capital Market Law, including liability for any untrue statement or omission of a material fact or information in the disclosure, as well as for market manipulation.

A key risk area for secondary offering is insider trading. Capital Market Law prohibits any person in possession of MNPI from selling securities of the relevant issuer unless exempted. This risk is particularly relevant for controlling shareholders or management shareholders who may have access to such information.

However, certain transactions are exempt from insider trading restrictions. These include:

- transactions between insiders of the same issuer who possess the same MNPI;
- transactions between an insider and a non-insider provided that the insider fully discloses the MNPI to the non-insider;
- the non-insider agrees in writing to keep the information confidential and use it solely for the transaction; and
- the non-insider refrains from trading the issuer's securities for six months, except for the transaction with the insider.

Law stated - 9 March 2026

Settlement

What is the typical settlement process for sales of equity securities in a public offering? Is this the same for equity-linked securities?

The settlement is specifically governed by OJK Circular Letter No. 25/SEOJK.04/2025 of 2025 on Order and Fund Verification, Allocation of Allotment, and Settlement of Securities Orders in an Electronic Public Offering of Shares.

Firstly, the electronic public offering system will consolidate the allotment result to calculate each investor's shares (and any equity-linked securities) allocation and payment obligation, and the total proceeds due to the issuer. The system will then inform the issuer or the appointed Securities Administration Bureau (BAE) of the total securities required for deposit.

To ensure settlement readiness, the issuer or BAE must deposit all allocated securities into the admin participant's account (typically the lead underwriter's) at the KSEI. In parallel, the system provider conducts a fund verification to ensure that sufficient funds are secured in the investors' collateral securities sub-accounts.

Actual settlement occurs via a simultaneous electronic transfer: the system provider debits subscription funds from the investors' collateral securities sub-accounts and credits the corresponding scripless shares (any accompanying equity-linked securities) from the admin participant's account into the investors' respective accounts. If an investor's funds are insufficient to cover the full allocation, the system processes only the portion covered by the available balance.

Where the offering includes equity-linked securities, those instruments are distributed according to the ratio predetermined by the issuer.

The settlement cycle concludes once the admin participant transfers the public offering proceeds to the issuer, completing both the delivery of shares and funds payment.

Law stated - 9 March 2026

PRIVATE PLACINGS

Specific regulation

Are there specific rules for the private placement of equity or equity-linked securities? What procedures must be implemented to effect a valid private placement?

Indonesian law does not specifically define "private placements", but it is generally understood as an offering made to fewer than 100 parties or resulting in sales to fewer than 50 buyers, such that it does not constitute a public offering. While this concept is recognised under the capital markets legal framework, the principal regulatory regime for private placements of equity or equity-linked securities relates to capital increases without pre-emptive rights (PMTHMETD) governed under Indonesian Financial Service Authority (OJK) Regulation No. 14/POJK.04/2019, which amended OJK Regulation Number 32/POJK.04/2015.

Under this framework, a PMTHMETD (commonly used for private placement) is permitted only in limited circumstances, which are: (1) correcting financial position; (2) for non-financially distressed issuer, general capital raising of up to 10% of the issuer issued and paid-up capital; and (3) issuance of bonus shares.

To effect a valid PMTHMETD, the following procedures must be implemented:

- the PMTHMETD must be approved by the general meeting of shareholders (GMS), which must satisfy the independent/minority shareholder approval requirement. Concurrently with the GMS announcement, the issuer must notify to the IDX and conduct a public disclosure;
- if the PMTHMETD is intended to correct the issuer's financial position, it must meet specific criteria, such as being a bank under restructuring, a non-bank with negative working capital and liabilities exceeding certain threshold, or an entity settling debt with third party creditors;
- the issuer must announce the intended PMTHMETD to the public and notify the OJK at least five working days prior to the capital injection or debt-to-equity conversion (as applicable);
- the listing application to the IDX must be submitted no later than six exchange days prior to the listing date of the additional shares, accompanied by all supporting documents, such as evidence of GMS approval; and
- the issuer must also announce the results of the PMTHMETD to the public and notify the OJK at most two working days after the completion.

Law stated - 9 March 2026

Investor information

What information must be made available to potential investors and the public in connection with a private placement of equity securities?

While there is no mandated "prospectus" for PMTHMETD, the issuer must provide specific disclosures to the public and OJK. At a minimum, such disclosure must include:

- the subscribing investor's details and whether they are affiliated with the issuer;
- the number of shares to be issued and the issuance price;
- the intended use of proceeds; and/or
- any other relevant information including dilution percentage for existing shareholders.

Law stated - 9 March 2026

Transfer of placed securities

Do restrictions apply to the transferability of equity securities acquired in a private placement? Are any mechanisms used to enhance the liquidity of equity securities sold in a private placement?

Indonesian law does not impose specific statutory restrictions on the transferability of equity securities acquired through a private placement. Such shares are, in principle, transferable, subject to any contractual arrangements. For equity-linked securities, any transfer restrictions remain subject to the specific contractual arrangements between the issuer and the subscriber.

There is likewise no statutory mechanism designed to enhance the liquidity of shares issued under a private placement. Liquidity considerations are therefore primarily driven by market conditions and commercial structuring.

Law stated - 9 March 2026

OFFSHORE OFFERINGS

Domiciled issuers

What specific domestic rules apply to offerings of equity securities outside your jurisdiction made by an issuer incorporated or domiciled in your jurisdiction?

Indonesian law does not contain specific provisions governing offering of securities outside Indonesia by an Indonesian company.

However, Indonesian issuers are principally required to list their equity securities on the Indonesian Stock Exchange (IDX). Based on this framework, an Indonesian issuer intending to go public and list their securities on an offshore exchange, would also be required to list its shares on the IDX. Therefore, a few Indonesian issuers have undertaken dual listings, with their shares listed on the IDX and concurrently on foreign stock exchanges.

Offshore offerings remain subject to the securities laws and listing rules of the relevant foreign jurisdiction where the securities are offered or listed.

Law stated - 9 March 2026

Non-domiciled issuers

What specific domestic rules or exemptions apply to offerings of equity securities in your jurisdiction made by an issuer incorporated or domiciled outside of your jurisdiction?

Company intending to list its shares in IDX must be an Indonesian limited liability company. Accordingly, a foreign entity cannot directly list its shares on the IDX.

Foreign issuers, however, may offer and list Indonesian Depositary Receipts (SPEI) on the IDX pursuant to Indonesian Financial Services Authority (OJK) Regulation No. 6/POJK.04/2020 of 2020. SPEI are depositary receipts issued by an OJK-approved local custodian and represent a proportional interest in a specified number of underlying shares of the relevant issuer deposited with such custodian. SPEI holders are generally entitled to economic rights equivalent to shareholders. However, they are not registered shareholders hence may only exercise their rights, including voting, through the depositary. To our understanding, regulatory ambiguities have resulted in no successful SPEI listings by foreign issuers to date.

For other equity securities, there is no express prohibition on offerings by foreign issuers. However, any public offering requires submission of a registration statement to, and approval from, the OJK. As the registration statement framework under the prevailing OJK Regulations is designed for Indonesian company, it is generally impossible for foreign issuer to conduct public offering in Indonesia.

PARTICULAR FINANCINGS

Offerings of other securities

What special considerations apply to offerings of exchangeable or convertible securities, equity-linked securities or warrants?

Offerings of exchangeable or convertible securities, equity-linked securities and/or warrants are generally similar to offerings of shares including the requirement to submit a registration statement to the Indonesian Financial Services Authority and comply with applicable disclosure and prospectus requirements. However, several differences apply depending on the structure and characteristics of the securities.

In particular, the terms and conditions governing the conversion or exchange rights must be clearly disclosed in the prospectus, including the conversion or exercise price, adjustment mechanisms, conversion period and the potential dilutive effect on existing shareholders. Where the securities are convertible into new shares, the issuer must ensure that the issuance complies with Indonesian capital market regulations, including rules on capital increases and pre-emptive rights where applicable.

Law stated - 9 March 2026

UNDERWRITING ARRANGEMENTS

Types of arrangement

Are offerings of equity securities typically underwritten? What types of underwriting arrangements are commonly used?

Offerings of equity securities in Indonesia are typically conducted with the involvement of licensed underwriters, although not mandatory for all offerings. It is only mandatory for an initial public offering, where the Indonesian Stock Exchange (IDX) requires issuers to appoint at least one licensed underwriter and enter into an underwriting agreement on a full commitment basis save for acceleration board that permits best effort basis.

Pursuant to Indonesian Financial Services Authority (OJK) Circular Letter No. 14/SEOJK.04/2018 of 2018, the two recognised underwriting arrangements are:

- full commitment: The underwriter undertakes to purchase any unsubscribed shares, thereby assuming full placement risk; and
- best effort: The underwriter agrees to use its best efforts to sell the shares, but any unsubscribed portion may be returned to the issuer.

In larger offerings, underwriting arrangements are often structured as a joint underwriting, consisting of a lead underwriter and one or more participating underwriters to broaden distribution and manage placement risk.

Law stated - 9 March 2026

Typical provisions

What does the underwriting agreement typically provide with respect to indemnity, force majeure clauses, success fees and overallotment options? Have there been any changes or developments to these provisions in recent market practice?

Indonesian capital markets regulations do not prescribe mandatory drafting standards for underwriting agreements. As a result, the terms within are largely determined by the parties based on market practice and subject to general principles under Capital Market Law.

Indemnity

Indemnity provisions typically require the issuer to hold the underwriter harmless for losses arising from, among others, untrue statements or omissions of material facts in the prospectus, breach of representations, warranties or covenants; and regulatory sanctions or third-party claims relating to the offering. Reciprocal indemnities may apply in respect of information provided by the underwriters.

Force majeure

The force majeure provision generally allows parties to (1) suspend the offering period typically for a maximum of three months from the registration statement's effective date or (2) cancel the public offering if extraordinary events or adverse market conditions occur.

Success fees

Underwriting compensation is commonly structured into underwriting fees, selling fees and management or structuring fees.

Overallotment options

Overallotment options are permitted to be used in underwriting agreements to support price stabilisation, subject to compliance with capital market regulations.

There have been no material regulatory shifts in these provisions; recent developments reflect increased alignment with international documentation standards, particularly in larger or cross-border transactions.

Law stated - 9 March 2026

Other regulations

What additional regulations apply to underwriting arrangements and the provisions typically contained therein?

In the context of an initial public offering, an additional regulatory layer arises under the IDX Circular Letter No. S-05957/BEI.PPU/07-2023.

It basically requires at least one appointed underwriter to submit an equity research report to the IDX as part of the listing application process and continue to provide such research report periodically after the issuer has been listed.

This requirement has practical implications for underwriting documentation. Underwriting agreements now typically require the relevant underwriter to prepare and maintain equity research report in compliance with IDX requirements. As a result, the role of the appointed the underwriter may extend beyond the offering period to include ongoing post-listing research coverage obligations.

Law stated - 9 March 2026

ONGOING REPORTING OBLIGATIONS

Applicability of the obligation

In which instances does an issuer of securities become subject to ongoing reporting obligations? Are other connected parties (directors, insiders) subject to ongoing reporting obligations?

An issuer becomes subject to ongoing reporting obligations once its registration statement becomes effective. From that point onward, the issuer shall comply with various periodic and incidental reporting obligations, including reporting of any material information or fact that may affect the price of its securities or an investor's decision, earlier than the next trading day.

Certain connected parties are also subject to reporting obligations. Directors, commissioners and shareholders of a public company, and any parties that, directly or indirectly, own at least 5% of voting rights over shares of the issuer must report to the Indonesian Financial Services Authority on their share ownership as well as changes to that share ownership.

Law stated - 9 March 2026

Information to be disclosed

What information is a public company required to make available to the wider public?

A public company is required to disclose to public various types of information to the public. It includes, among others, material information or facts, periodic financial statements, annual report, shares ownership, material transaction, changes in business activity, affiliated transaction and conflict of interest transaction as well as other corporate action. All of these are subject to specific requirements, procedures and thresholds under the relevant capital market laws and regulations.

Law stated - 9 March 2026

ANTI-MANIPULATION RULES

Prohibitions

What are the main rules prohibiting manipulative practices in equity securities offerings and secondary market transactions?

The Capital Market Law establishes a clear prohibition framework against market manipulation in both equity securities offerings and secondary market transactions. It broadly outlaws any conduct that creates a false or misleading impression regarding trading activity, market conditions or the price of a security.

The capital market laws and regulations further prohibit any person, whether acting individually or in concert with others, from carrying two or more transactions designed to maintain, increase or decrease the price of a security for the purpose of inducing other parties to buy or sell the security. In addition, it prohibits the dissemination of statements or information that are materially false or misleading where such disclosures are intended to influence the market price of a security.

Beyond manipulation, the Capital Market Law prohibits "insiders" from trading based on material non-public information or disclosing such information to parties who are likely to trade on it.

Law stated - 9 March 2026

PRICE STABILISATION

Permitted stabilisation measures

What measures are permitted in your jurisdiction to support the price of securities in connection with an offering?

In Indonesia, price stabilisation measures in connection with a public offering are expressly permitted under Indonesian Financial Services Authority (OJK) Regulation No. 6/POJK.04/2019 of 2019.

Under this regulation, the lead underwriter or the broker-dealer participating in the offering may purchase the relevant securities on the Indonesian Stock Exchange (IDX) for the specific purpose of maintaining the market price following the offering. This mechanism constitutes a limited and regulated exception to the general prohibition on market manipulation under Capital Markets Law.

The stabilisation activities are subject to strict conditions. Purchases may only be conducted at the public offering price and are strictly limited conducted within the offering period. The prospectus must clearly disclose the intention to conduct price stabilisation. In addition, counterparties to stabilisation transactions must receive or have access to a written statement confirming that the transaction forms part of stabilisation measures. The underwriter is also required to notify the OJK, IDX, selling agents and the public of the commencement and termination of the stabilisation period.

Law stated - 9 March 2026

LIABILITIES AND ENFORCEMENT

Bases of liability

What are the most common bases of liability for an equity securities transaction?

Liability in an equity securities transaction is primarily established under the Capital Market Law and its implementing regulations. The framework imposes strict standards of transparency and integrity, with specific exposures for various market participants.

Issuers and managements are strictly liable for the accuracy of the registration statement and prospectus. If these documents contain untrue statements of material facts or omit material facts necessary to make the statements not misleading, the issuer and its management are liable for resulting losses to investors.

Underwriters are legally required to conduct "due diligence" on the issuer's affairs. They can be held liable alongside the issuer if they fail to verify the accuracy of the prospectus or if they allow a misleading offering to proceed.

Market participants are prohibited from engaging in any conduct that creates a false or misleading impression of active trading, price movement or market conditions to influence share prices.

Lawyers, accountants and appraisers who provide opinions in the prospectus are liable for the accuracy of their respective sections. If an opinion is found to be materially flawed, the firm and the individual professional may face Indonesian Financial Services Authority (OJK) sanctions and civil claims.

Law stated - 9 March 2026

Bases of liability

What are the main mechanisms for seeking remedies and sanctions for improper equity securities activities?

Remedies and sanctions for improper equity securities activities are primarily governed by Capital Market Law and enforced by the OJK.

The primary remedies and sanctions for improper equity securities activities are administrative sanctions. The OJK has broad authority to investigate violations of capital market laws and regulations and to impose administrative sanctions. These sanctions may include written warnings, monetary fines, restrictions on business activities, suspension of business activities, revocation of business licences, cancellation of approvals and cancellation of registrations.

For more serious violations, such as fraud, market manipulation or insider trading, the authorities may pursue criminal prosecution. Criminal sanctions may include imprisonment and/or criminal fines, depending on the nature and severity of the offence.

In addition, parties who suffer losses as a result of unlawful conduct may initiate civil litigation against the responsible party to seek compensation. Such claims may be based on statutory liability under capital markets law or general tort principles under Indonesian law.

UPDATE AND TRENDS**Recent and proposed changes****Are there currently any proposals to change the regulatory or statutory framework governing equity securities transactions in your jurisdiction?**

The Indonesian capital market framework is currently undergoing several reform initiatives aimed at enhancing transparency, liquidity and alignment with international market standards. A key recent development is the amendment to Indonesian Stock Exchange (IDX) Regulation No. I-A on the Listing of Shares and Equity Securities Other Than Shares Issued by Listed Companies. This amendment introduces several material changes.

Most notably, the minimum free float requirement has been increased. Under the previous regime, listed companies were required to maintain a minimum free float of 7.5% of total issued and paid-up capital. The amended regulation raises this threshold to 15% (or such other percentage as may be approved by the IDX at the time of listing). Compliance with the new threshold will be implemented on a phased basis, taking into account each listed company's market capitalisation and free-float position as at 31 March 2026.

In addition, the amended IDX Regulation No. I-A refines the definition of free-float shares to ensure greater clarity and consistency, introduces updated free-float requirements at the time of listing, requires listed companies to appoint a certified financial statement preparer, imposes continuing education obligations on the directors, commissioners and audit committee members, and restricts controlling shareholders of newly listed companies from transferring part or all of their shares for at least 12 months following the listing date (or such other period as may be determined by the IDX).