

PUBLIC OFFERING FOR SMALL AND MEDIUM SCALE ENTERPRISES THROUGH INDONESIA STOCK EXCHANGE RULE NUMBER IV

I. Overview

On July 22, 2019, the Indonesia Stock Exchange ("IDX") has just enacted Rule Number I-V concerning Specific Provisions for the Listing of Shares and Equity-Type Securities Other Than Shares on the Acceleration Board Issued by Listed Companies. The enactment of the regulation is intended to open up opportunities for companies with small and medium scale assets to register their companies on the IDX. Previously regulated in Financial Services Authority Regulation No. 53 ("POJK 53") concerning small and medium scale companies, the classification is regulated based on assets owned that are included in small-scale companies are companies that have assets of no more than Rp50 billion, while medium-scale companies are companies with assets of Rp50 billion to Rp250 billion.

II. Key Changes from the Prior Regulation

The enactment of regulation Number I-V birthed another category of the stock listing board, which was the acceleration board as an addition of the former categories, consists of the board and the development board.



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A comparison of the three board categories can be seen in the following table:

KRITERIA		PAPAN PENCATATAN SAHAM				
		UTAMA	PENGEMBANGAN	AKSELERASI		
Badan Hukum		Perseroan Terbatas (PT)	Perseroan Terbatas (PT)	Perseroan Terbatas (PT)		
Akuntansi & Keuangan	Masa Operasional (membukukan Pendapatan Usaha)	≥36 bulan	≥12 bulan	Sejak Didirikan		
	Laba Usaha	1 Tahun terakhir	Boleh Rugi <u>Syarat</u> : proyeksi tahun ke-2 sampai dengan tahun ke-6 laba usaha dan laba bersih	Boleh Rugi: <u>Syarat</u> : proyeksi maksimal tahun ke-6 laba usaha		
	LK Audited	Min. 3 tahun (2 tahun dengan Opini Wajar Tanpa Modifikasi)	Min. 12 bulan (1 tahun dengan Opini Wajar Tanpa Modifikasi)	Min. 1 Tahun terakhir atau sejak berdirinya (apabila berdiri kurang dari 1 tahun) dengan mendapatkan Opini Wajar Tanpa Modifikasi		
	Ukuran Keuangan	Aktiva Berwujud Bersih* ≥ Rp100 miliar	Aktiva Berwujud Bersih* ≥ Rp5 miliar atau Laba Usaha ≥ Rp1 miliar dan Nilai Kapitalisasi Saham ≥ Rp100 miliar atau Pendapatan Usaha ≥ Rp40 miliar dan Nilai Kapitalisasi Saham ≥ Rp200 miliar	Tidak Ada (Mengikuti POJK Nomor 53 /POJK.04/2017)		
Struktur Penawaran	Jumlah saham yang ditawarkan kepada publik	Min. 300 juta saham dan :		Minimal 20%		
		Nilai Ekuitas	Total Saham		Nilai Ekuitas	Total Saham
		< Rp500 miliar	20%		< Rp500 miliar	20%
		Rp500 miliar – Rp2 triliun	15%		Rp500 miliar – Rp2 triliun	15%
	> Rp2 triliun	10%	> Rp2 triliun	10%		
Pemegang Saham	≥ 1000 pihak	≥ 500 pihak	≥ 300 pihak			
Harga Saham Perdana	≥ Rp100	≥ Rp100	≥ Rp50			
Bentuk Penjaminan	Full Commitment	Full Commitment	Best Effort			

From the table above, we can conclude that the difference in the acceleration board category is that a legal entity can make a public offering since it was founded without any terms of operational duration. The company is also not required to have an operating profit as long as it can project that it will make a profit in the 6th year after the public offering. Net assets obtained by the company when conducting a public offering referred to POJK No. 53/POJK.04/2017.

In the framework of a public offering, the company is required to distribute its shares at least 20% to parties from other than the Controlling and Major Shareholders. The number of shareholders is at least 300 (three hundred) people provided that the number is a shareholder after the Initial Public Offering.

The initial share price is at least Rp50,- per share along with an agreement with the underwriter in the form of best effort. Last, a transition period is given to the company to fulfill Good Corporate Governance (Independent Commissioner, Internal Audit & Audit Committee, and Corporate Secretary), 6 months for Medium Scale Asset Companies and 1 year for Small Scale Asset Companies (referring to Article 27 paragraph (1) and (2) POJK 53/POJK.04/2017)

III. Further Implication

Based on the explanation above, it can be concluded that the emergence of the category of acceleration boards makes it easier for small and medium-scale companies to register on the stock exchange and this also makes prospective issuers able to gain greater capital access, encourage business expansion, and encourage governance a more professional company thereby increasing the value and fundamental aspects of the company. Therefore, the community is also expected to take an active role in financing through the capital market to improve the country's economy.