Multiple Voting Shares (MVS)

On 13 December 2021, the OJK issued the Regulation governing the implementation of shares of multiple voting rights share (MVS) under OJK Regulation No. 20/DK.05/2021/2021 ("OJK Regulation").

Multiple voting shares on the share public enables the holders to become a greater number of votes per share than the holder of any other class of shares of the issuer.

The OJK Regulation mandates the implementation of shares classification with multiple voting rights for companies that create innovations with high productivity and growth rates (in which such companies intend to become listed companies).

MVS can be implemented to issue shares in an entity and provide the shareholders with the ability to control the company in the long term. The MVS Regulation is particularly useful for start-up companies that intend to do an IPO in Indonesia.

The MVS Regulation also provides certainty to the public regarding the governance structure of companies that intend to do an IPO.

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An issuer that intends to implement MVS must stipulate the MVS classification in its articles of association and fulfill the following criteria:

1. An issuer that intends to implement MVS must stipulate the MVS classification in its articles of association and fulfill the following criteria:
   a. It is an existing issuer who has never conducted public offer of equity securities;
   b. The period can be extended once for a maximum of another 10 years, subject to approval from the OJK;
   c. It can be implemented to issue shares in an entity and provide the shareholders with the ability to control the company in the long term.

2. MVS holders have the right to vote for the following parties at the General Meeting of Shareholders:
   a. The CEO of the company; and
   b. One person elected by MVS holders.

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   a. The CEO of the company; and
   b. One person elected by MVS holders.

4. The term of MVS is 10 years, unless all MVS holders agree to extend the term.

5. MVS holders can extend the term of MVS for another 10 years by submitting a request to the OJK.

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### General Listing Requirements

An IPO is usually followed by the listing of securities on the stock exchange. Currently, there is only one stock exchange in Indonesia, the IDX.

#### The IDX

The IDX, or Bursa Efek Indonesia, is the only stock exchange in Indonesia. It was established in 1966 and is owned by the Indonesian government through the Ministry of Finance. The IDX is responsible for regulating and supervising the operations of companies listed on its exchange. The IDX also serves as a platform for companies to raise capital through initial public offerings (IPOs) and subsequent offerings.

- **Main Board**: The Main Board is the primary market for companies listed on the IDX. Companies listed on the Main Board are required to comply with stricter listing requirements and are subject to more rigorous regulatory oversight.
- **Development Board**: The Development Board is a secondary market for companies that are not yet ready for the Main Board. Companies listed on the Development Board are subject to less stringent listing requirements.
- **Acceleration Board**: The Acceleration Board is a specialized market for mining companies. It is designed to facilitate the listing of mining companies and to provide them with access to capital.

#### Listing Requirements for Companies

At the time of an initial public offering, companies must satisfy the following requirements:

1. **Capital Size**: Companies seeking to list on the IDX must have a minimum capital of IDR 5 billion.
2. **Net Worth**: Companies must have a minimum net worth of IDR 1 billion.
3. **Revenue**: Companies must have a minimum revenue of IDR 2 billion in the last one financial year.
4. **Audited Financial Statements**: Companies must have audited financial statements for the last three years.
5. **Control**: Companies must not be controlled by any shareholder of a non-small or medium-sized company.
6. **Listing Requirements for Mining Companies**: For companies involved in mining, additional requirements may apply.

#### Sale of Shares in Public Companies

Companies are required to disclose information to the public before selling shares. This includes financial statements, a prospectus, and other relevant documents. The purpose is to provide investors with the necessary information to make informed investment decisions.

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### Reporting Requirements

#### For Public Life as a Company

Once a company has been listed on the IDX, it is required to comply with ongoing reporting requirements. These requirements are designed to ensure that companies maintain transparency and disclosure in their financial and operational performance.

- **Periodic Reports**: Companies are required to file periodic reports, including annual reports, semi-annual reports, and quarterly reports. These reports must be reviewed and audited by independent accountants.
- **Shareholders' Meetings**: Companies must hold annual shareholders' meetings to discuss and vote on important company matters.
- **Quarterly Reports**: Companies must file quarterly reports, which include financial statements and a management discussion and analysis (MD&A) section.

#### Companies which have not entered production stage but have commenced any sales

For companies that have not entered production stage but have commenced any sales, the following requirements apply:

- **Financial Performance**:
  - Every quarter: the company must have an operational profit at the end of the quarter.
  - One fiscal period: the company must have an operational profit at the end of the period.
  - At least 60% of the income for the quarter is earned from the sale of the new products.

#### Companies which have entered production stage but have not commenced any sales

For companies that have entered production stage but have not commenced any sales, the following requirements apply:

- **Revenue and Financial Performance**:
  - Revenue in the last one financial year: at least IDR 200 billion.
  - Revenue in the last one financial year: at least 20% of the total revenue.
  - Revenue in the last one financial year: at least 10% of the total revenue.
  - Revenue in the last one financial year: at least 5% of the total revenue.

#### General Other Requirements

In addition, all companies must comply with the following general requirements:

- **Corporate Governance**: Companies must comply with the IDX's corporate governance guidelines.
- **Management Analysis and Performance**: Companies must provide a management analysis and performance section in their annual reports.
- **Financial Sustainability Report**: Companies must prepare a financial sustainability report for financial institutions.

### Conclusion

The IDX plays a crucial role in the Indonesian economy by providing a platform for companies to raise capital and by promoting transparency and disclosure. The IDX's listing requirements are designed to ensure that companies maintain a high level of financial and operational performance.

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*Note: This summary is based on the IDX's listing requirements as of the date of this document and may change in the future.*