

Dematerialization of Equity-Based Securities and Management of Unclaimed Assets in Capital Market

July 2025

On 28 April 2025, the Financial Services Authority (“**OJK**”) issued Regulation No. 9 of 2025 on the Dematerialization of Equity-Based Securities and Management of Unclaimed Assets in Capital Market (“**POJK 9/2025**”) which became effective as of **6 May 2025**. POJK 9/2025 basically regulates the mandatory dematerialization of equity securities currently held in physical scrip form, as well as the legal recognition and guidelines in the handling/management of unclaimed assets in capital market.

Key Highlights

Mandatory EBE Dematerialization, Prohibitions on Transacting EBE in Scrip Form and Re-materialization of EBE

- Issuance of Equity-Based Security (*Efek Bersifat Ekuitas*/"**EBE**") now must be in non-scrip (scripless) form. This obligation includes issuance of Share with Multiple Voting Rights.
- Public companies and holders of EBE in scrip form are required to carry out the EBE dematerialization within 5 years as of the effective date of POJK 9/2025 (i.e., by 6 May 2030). In this regard, POJK 9/2025 provides the procedure, disclosure requirements and mechanism for implementing EBE dematerialization.
- After the 5-year period of EBE dematerialization ends, EBE in physical scrip form will no longer be permitted for trading either on or off the stock exchange and, hence, the share registrars and public companies are also prohibited from administering the transfer of physical scrip EBE, except for the purpose of grant or gift, inheritance, law enforcement or implementation of court decision.
- Re-materialization of EBE is also prohibited, hence the securities holders are prohibited from withdrawing the dematerialized securities or reconvert them into scrip form (with certain exceptions).
- **Disclosure:** Share registrars or public companies are required to announce the implementation of EBE dematerialization in both Bahasa Indonesia and English via their website, the IDX website, and by sending registered mail to the EBE holders.

Ownership Claims and Unclaimed Assets in Capital Market

- If, after the EBE dematerialization period has ended, there are still EBE that have not been dematerialized, the owners (or heirs or proxies of the owners) of such scrip-form securities may still submit an ownership claim to the relevant share registrar or public company within 5 years after the EBE dematerialization period ends.

Upon expiration of such 5-year claim period, the remaining unclaimed EBE must be

recorded by the relevant share registrar or public company in the Custody Account (*Rekening Titipan*) and its scrip-form must be destroyed and canceled. The relevant share registrar or public company is also required to apply to OJK for such remaining unclaimed EBE to be declared as “capital market unclaimed assets” and record such remaining unclaimed EBE in the name of the party designated by OJK to administer and manage the capital market unclaimed assets.

- *For unclaimed assets (securities or funds) held by Custodian:* The Custodian is required to send letters requesting ownership confirmation to the parties registered as owners of the securities accounts that have been dormant for 5 years, after going through an identification process of such securities accounts. The letters must be sent within 5 years as of the enactment of POJK 9/2025, at least twice a year. If the Custodian receives a refusal of ownership from the party receiving such letter, the Custodian is then required to apply to OJK for OJK to declare such securities as “capital market unclaimed assets” and, upon such OJK determination, the Custodian is required to transfer such securities to the securities account of the party designated by OJK to administer and manage the unclaimed assets in capital market.
- *Other assets in capital market:* Any party carrying out activities in capital market may also submit application to OJK for OJK to declare certain assets as “capital market unclaimed assets”. Such party, however, must ensure that such assets are unclaimed and the owner cannot be located (i) by sending a request ownership confirmation letter to the party identified as the owner of the asset and/or (ii) if a legal entity, by ensuring that such legal entity identified as the owner of the asset is already dissolved or no longer engaged in business activities in capital market sector.

Handling/Management of Unclaimed Assets in Capital Market

- OJK will designate a certain party to administer and manage the capital market unclaimed assets, which designation will last for 30 years. Such party, however, is prohibited to trade the unclaimed assets and will only carry out recording, custody, delivery and reporting to OJK of such unclaimed assets.
- The owners, heirs or proxies of the unclaimed capital market assets will still have the right to submit a claim for ownership of capital market unclaimed assets until the administration and management period for such capital market unclaimed assets ends.
- After the 30-year administration and management period ends and if no claim of ownership has been brought within such period, OJK is authorized to request a court order (*penetapan pengadilan*) to allow such assets to be delivered to the capital market industry pool of funds to be used for the purpose of developing the capital market industry. OJK will determine the procedure for such delivery of capital market unclaimed assets.

Protection of Rights of Shareholders and Owners

In implementing the EBE dematerialization and the management of unclaimed capital market assets, the relevant entities/institutions must apply the consumer protection principles set out in the OJK regulation concerning consumer and community protection in the financial services sector.

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