

# **Press Release of Bapepam Rule Revision**

On October 27, 2000 Bapepam issue 5 (five) Bapepam Rule as implementation of Law No 8 of 1995 concerning Capital Market. These five rules are the former rule revision. This revision is meant to boost the implementation of effective and efficient performance of capital market, especially in Public Offering process.

These five referred rules consists of rule IX.A.2 regarding Registration Procedures of a Public Offering, Rule No IX.A.7 regarding Responsibilities of Underwriters With Respect to Subscriptions and Allotments of Securities in a Public Offering, rule No IX.A.8 regarding Preliminary Prospectus and Information Memorandum, rule No IX.C.1 regarding Form and Content of A Registration Statement for a Public Offering, and rule No IX.C.3 regarding Guidelines Concerning the Form and Content of a Summary Prospectus for a Public Offering.

The intentions of this rules revision are as follows:

1. Rule IX.A.2 regarding Registration Procedures of a Public Offering,
2. Rule No IX.A.7 regarding Responsibilities of Underwriters With Respect to Subscriptions and Allotments of Securities in a Public Offering,
3. Rule No IX.A.8 regarding Preliminary Prospectus and Information Memorandum,
4. Rule No IX.C.1 regarding Form and Content of A Registration Statement for a Public Offering, and
5. Rule No IX.C.3 regarding Guidelines Concerning the Form and Content of a Summary Prospectus for a Public Offering.

## 1. Rule IX.A.2 regarding Registration Procedures of a Public Offering

This rule is revised in order to simplify the process and to reduce time limit of Public Offering process stipulated in previous rule. Commonly accepted, time limit process of public offering according to previous rule was within a period of 90 days. Whereas, revised rule set up new time limit of a public offering which is 15 working days. In addition, this revision also affirm that party who already have submitted his Registration Statement for a Public Offering can perform Preliminary Offering despite Registration Statement is yet to be effective.

Principal concepts of this revision are as follows:

- a. Considering public should attain information of Public Offering plan earlier, Issuer must publish summary prospectus no later than 2 (two) working days subsequent to submission of Registration Statement. Bapepam also prerequisite submission of published Summary Prospectus confirmation, no later than 2 (two) working days since Summary Prospectus being published.
  - b. Summary Prospectus must be published and using only Preliminary Prospectus if Issuer intends to carry on Preliminary Offering.
  - c. Regarding Issuer obligation to publish Summary Prospectus subsequent to Registration Statement approval. The issuer must publish revised and added Summary Prospectus.
  - d. Reducing time span to 15 working days at the most from submission of Registration Statement to submission of Public Offering proceeds reports to Bapepam until securities listing in Exchange.
  - e. Reducing time limit of securities allotment from 6 working days to 3 working days after offering period ended.
  - f. Reducing time limit of refund by Underwriter or Securities Sales Agent from 4 working days to 2 working days after securities allotment date or notification date of the cancellation.
  - g. Reducing time limit of submission of Public Offering proceeds report from 12 working days to 5 working days after allotment date.
- ## 2. Rule No IX.A.7 regarding Responsibilities of Underwriters with Respect to Subscriptions and Allotments of Securities in Public Offering

The revised rule stipulate that Allotment Manager has the authority to select any parties to receive securities allotment or pooling. This authority gives Underwriter a chance to embrace other potential investor beside Investment Fund, Pension Fund, or Insurance Company.

Principal concepts of this revision are as follows:

- a. Revocation of a provision concerning allotment for foreign investor due to revocation of Ministerial Decree No 1055/KMK.010/1997 concerning Securities Ownership Restriction for Foreign Investor.
- b. Party-fixing authority for receiving securities allotment is given to Allotment Manager. With respect to this matter, allotment will no longer be privileged only to Investment Fund, Pension Fund, or Insurance Company.
- c. As regards to disclosure, an Allotment Manager must disclose the information on Prospectus or Summary Prospectus, including Preliminary Prospectus (if exist)

3. Rule No IX.A.8 regarding Preliminary Prospectus and Information Memorandum,

Fundamental change to this rule is an addition of stipulation concerning Preliminary Offering, subsequently an issuer can carry on Preliminary Offering after the publication of Summary Prospectus.

Principal concepts of this revision are as follows:

- a. Adding a definition concerning Preliminary Offering, which means direct or indirectly offering using Preliminary Prospectus. This offering is meant to measure investor interest on buying offered securities and or to estimate offered securities price.

This provision enables an Issuer or an Underwriter to carry on Preliminary Offering. Nevertheless, it will not constrain a party to buy securities if one want to render his interest on buying securities in period of Preliminary Offering and also this will not be considered as securities subscription.

- b. Adding provision that make possible to put in information regarding range of securities total amount and offering price and other things related to referred securities offering.
- c. Changing a provision regarding distribution of Preliminary Prospectus and Information Memorandum subsequent to Summary Prospectus publication.
- d. Considering Preliminary Prospectus is being distributed prior to Registration Statement approval, and is yet thoroughly examined by Bapepam, therefore provision regarding statement on cover of Preliminary Prospectus and Information Memorandum, which is made in capital letter with red inks, is changed to:

**“INFORMATION IN THIS PROSPECTUS MAY BE REVISED OR ADDED. REGISTRATION STATEMENT OF THESE SECURITIES HAVE BEEN SUBMITTED BUT IS YET SUBJECT TO APPROVAL FROM BAPEPAM. THIS PROSPECTUS SHOULD BE USED ONLY FOR PRELIMINARY OFFERING OF THESE SECURITIES. THESE SECURITIES MAY NOT BE SOLD BEFORE REGISTRATION STATEMENT SUBMITTED TO BAPEPAM IS EFFECTIVE. ORDER OF SECURITIES CAN BE EXERCISED ONLY AFTER PROSPECTIVE/WOULD-BE BUYER OR SUBSCRIBER RECEIVES THE PROSPECTUS OR HAS OPPORTUNITY TO READ IT”**

4. Rule No IX.C.1 regarding Form and Content of A Registration Statement for a Public Offering

This revision adds provision of Preliminary Prospectus with respect to revision of rule No IX.A.2 and rule No IX.A.8 compliance.

5. Rule No IX.C.3 regarding Guidelines Concerning the Form and Content of a Summary Prospectus for a Public Offering.

This rule is revised in order to comply with revision of rule No IX.A.2.

Principal concepts of this revision are as follows:

- a. Adding words "estimation or range" in provisions are yet certain such as: effective date, Offering period, Refund date, and Allotment date.

As Summary Prospectus must be published subsequent to submission of Registration Statement to Bapepam and not after approval of Registration Statement which is stipulated in former rule IX.C.3, information that will be published is not final information but merely estimation.

- b. Considering this Summary Prospectus is published prior to Registration Statement approval and Registration Statement of Issuer is yet thoroughly examined by Bapepam, consequently item 1 letter l is changed to:

**"INFORMATION IN THIS PROSPECTUS MAY BE REVISED OR ADDED. REGISTRATION STATEMENT OF THESE SECURITIES HAVE BEEN SUBMITTED BUT IS YET SUBJECT TO APPROVAL FROM BAPEPAM. THESE SECURITIES MAY NOT BE SOLD BEFORE REGISTRATION STATEMENT SUBMITTED TO BAPEPAM IS EFFECTIVE. ORDER OF SECURITIES CAN BE EXERCISED ONLY AFTER PROSPECTIVE/WOULD-BE BUYER OR SUBSCRIBER RECEIVE THE PROSPECTUS OR HAS OPPORTUNITY TO READ IT"**

Jakarta, October 31, 2000  
Capital Market Supervisory Agency

On behalf of Chairman of Bapepam  
Director of the Regulation and Legal Counsel Bureau

Robinson Simbolon