

COMPULSORY TENDER OFFER AS A RESULT OF THE ACQUISITION OF PUBLIC COMPANY TO SUPPORT LAW CONCERNING TAX AMNESTY

**(Circular of the Financial Service Authority
No. 35/SEOJK.04/2016 dated September 2, 2016)**

To

1. Shareholders of public companies; and
2. Boards of directors of public companies.

Referring to provisions in point 6 letter a point 10) of Regulation No. IX.H.1, Attachment to Decision of the Chairman of the Capital Market and Financial Institutions Supervisory Board No. KEP-264/BL/2011 dated May 31, 2011 concerning the Acquisition of Public Company, it is necessary to stipulate provisions on the application of point 6 letter a point 10) following the coming into force of Law No. 11/2016 concerning Tax Amnesty in Circular of the Financial Service Authority as follows:

I. GENERAL PROVISIONS

1. Acquisition is the act, either direct or indirect, that leads to a change in controller.
2. Public company is an issuer that has conducted public offering of equity stocks or public company.
3. Public company controller, hereinafter called controller, is a party that holds more than 50% (fifty per-cent) of the overall paid-up capital, or a party that has capability to decide, either directly or indirectly, by whatever means, the management and/or policy of a public company.
4. Tax amnesty is the act of abolishing tax due, without imposing administrative sanction and criminal sanction in the taxation sector, by disclosing assets and paying redemption money as provided for in Law No. 11/2016 concerning Tax Amnesty.
5. Taxpayer is a person or body that has taxation rights and obligations in accordance with provisions in the taxation law and regulation as provided for in Law No. 11/2016 concerning Tax Amnesty.
6. Asset is an accumulation of additional economic capacity in the form of entire assets, tangible and intangible, movable or immovable, used for business or not, found inside and/or outside the territory of the Unitary Republic of Indonesia as provided for in Law No. 11/2016 concerning Tax Amnesty.

7. Declaration of Wealth for Tax Amnesty, hereinafter called Declaration, is a letter used by taxpayer to disclose assets, liabilities, and net asset value, as well as calculation and payment of redemption money as provided for in Law No. 11/2016 concerning Tax Amnesty.
8. That the Financial Service Authority is part of the system to carry out government affairs which is well interacted to state institutions and other government institutions in achieving the aim and ideals of the Indonesian independence contained in the constitution of the Unitary Republic of Indonesia.
9. That the good interaction as referred to in point 8 is realized by giving support to the state policy contained in Law No. 11/2016 concerning Tax Amnesty.
10. That the disclosure of assets by taxpayer in the tax amnesty program may lead to the disclosure of the taxpayer as a public company controller.
11. That considering that the tax amnesty program is a state policy, the Financial Service Authority deems it necessary to affirm that the disclosure of taxpayer as a public company controller as a result of the implementation of tax amnesty program is the acquisition of public company as a result of the implementation of government or state bodies' or institutions' policies as referred to in point 6 letter a point 10) of Regulation No. IX.H.1, Attachment to Decision of the Chief of the Capital Market and Financial Institutions Supervisory Board No. Kep-264/BL/2011 dated May 31, 2011 concerning the Acquisition of Public Company.
12. That pursuant to point 6 letter a point 10) of Regulation No. IX.H.1, Attachment to Decision of the Chief of the Capital Market and Financial Institutions Supervisory Board No. Kep-264/BL/2011 dated May 31, 2011 concerning the Acquisition of Public Company, the disclosure of taxpayer as a public company controller as a result of the implementation of tax amnesty program can be exempted from the obligation to conduct public exposure and compulsory tender offer.

II. EXEMPTION FROM THE OBLIGATION TO CONDUCT PUBLIC EXPOSURE AND COMPULSORY TENDER OFFER WITHIN THE FRAMEWORK OF TAX AMNESTY

1. Taxpayer that discloses assets within the framework of the tax amnesty program leading to the disclosure of the taxpayer as a public company controller is exempt from the obligation to conduct public exposure and compulsory tender offer as provided for in Regulation No. IX.H.1, Attachment to Decision of the Chief of the Capital Market and Financial Institutions Supervisory Board No. Kep-264/BL/2011 dated May 31, 2011 concerning the Acquisition of Public Company.

2. Public company that knows a new controller as a result of the disclosure of assets within the framework of the tax amnesty program is exempt from the obligation to conduct public exposure as referred to in Regulation of the Financial Service Authority No. 31/POJK.04/2015 concerning Material Information or Fact Exposure by Issuer or Public Company.
3. Taxpayer as referred to in point 1 shall send the Financial Service Authority :
 - a. a photocopy of declaration of tax amnesty, accompanied by information about share ownership by taxpayer in the public company to the Financial Service Authority using the format of a report of share ownership in public company as contained in Attachment which is an integral part of this Circular of the Financial Service Authority, no later than 10 (ten) working days after the date of the declaration of tax amnesty; and
 - b. a statement to transfer the entire assets within the framework of acquisition to the stock account in the custodian under the name of the taxpayer.

III. CONCLUSION

This Circular of the Financial Service Authority comes into force from the date of stipulation to 20 (twenty) working days since March 31, 2017.

Stipulated in Jakarta

On September 2, 2016

THE EXECUTIVE CHIEF OF CAPITAL MARKET SUPERVISOR,

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NURHAIDA

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