

Press Release

KSEI Appointed Turkey's CSD to Develop e-Proxy and e-Voting Platforms

Jakarta, September 28th 2017 - Today (28/9), Indonesia Central Securities Depository (KSEI) officially appointed Central Securities Depository of Turkey, Merkezi Kayit Kurulusu (MKK) as the developer of e-proxy and e-voting platform. The event was held at the Main Hall of Indonesia Stock Exchange, Jakarta followed by Memorandum of Understanding between KSEI and MKK signed by KSEI's President Director, Friderica Widyasari Dewi and the Chairman of the Board of MKK Fatih Savazan. The event is witnessed by the Directorate General of Information Application, Ministry of Communication and Informatics Samuel Abrijani Pangerapan, Head of Sub Directorate Legal Entities, Ministry of Law and Human Right, Hadaris Samulia Has, Commissioners and Board of Directors from Self Regulatory Organization and representatives from capital market associations.

E-proxy (electronic proxy) and e-voting (electronic voting) platform are the application which accommodate investor's needs and convenience as Shareholders to be able to participate in the General Meeting of Shareholders (GMS) without having them to physically present due to geographically conditions of Indonesia where investors lives in different cities, even they reside abroad.

President Director of KSEI Friderica Widyasari Dewi stated that, "This platform is expected to provide convenience for local and foreign investors and become solution for investors who have to attend multiple GMS being held at the same time but in different locations. With the number of Issuers which have reached 500 companies, there are possibility that the GMS are held at the same day within a year. Meanwhile, 35% of Indonesia Capital Market investors holds multiple Securities," explained Friderica.

KSEI and MKK will implement the first phase of the development of e-proxy platform, an electronic means to grant power of attorney if investor cannot attend the GMS. Currently, investors must provide a duty-stamped power of attorney and real signatures to the person/party who will represent the investor to attend the GMS.

With e-proxy platform, In this first stage, investors no longer need to provide power of attorney and seek the recipient to represent his voice, because the e-proxy application in cooperation with the parties concerned, will provide features to electronically authorize a certain party as the recipient. The development of e-proxy is expected to be completed by 2018.

As for e-voting platform, which is a long-term development of e-proxy platform, the development will start at a later stage due to the need for regulation changing at the level of the Act. Through e-voting platform, investors whose names are registered as Shareholders, may conduct activities related to the GMS online, such as registering to attend the GMS without any physical presence, reviewing GMS material and submitting its voting rights online. Detailed information on the GMS can be monitored online and live by Shareholders through video conference.

E-proxy and e-voting platform does not replace the current GMS process. As stipulated in article 77 of Law no. 40 of 2007 regarding Limited Liability Company, this platform serves as an option for Shareholders in exercising their rights.

Several countries that have implemented e-voting platforms, such as Taiwan, South Korea, Hong Kong, India, Russia, Turkey and other countries, have shown increased efficiency in their operations. E-voting platform is able to increase the participation of investors in the GMS and also increase the interest of foreign investors to invest in the capital markets of these countries.

MKK Chairman of the Board, Mr Savasan stated that; "I believe the individual efforts of MKK and KSEI will serve our desire to position our countries among those that provide the most attractive investment environment for all investors and foster cross-border investment opportunities.

Following the signing of this MoU our teams will kick off working on the agreed implementation of MKK's Electronic General Meeting System (e-GEM) in the Indonesian capital market. I believe that e-GEM will contribute significantly in improving the level of corporate governance in Indonesia and hence the investment environment; as we have witnessed in Turkey since the launch of the system in 2012.

With this MoU we will start a solid partnership between our institutions, hence bring together our capital markets, and contribute significantly to our economies. I hope we can use this opportunity to further strengthen the bonds between our countries and nations."

MKK offers solutions in the form of an electronic General Assembly Meeting system that has been used in Turkish capital market since 2012. The e-GEM system has also been used by several countries in Africa, namely Nigeria and Kenya. The functionality contained in e-GEM is considered to meet KSEI's requirement to provide e-proxy and e-voting platforms, with developments that are adjusted to the needs and the prevailing regulations in the Indonesia Capital Market.

Directorate General of Information Application, Ministry of Communication and Informatics, Samuel Abrijani Pangerapan stated their support to develop e-proxy and e-voting platform and to remind all related parties to comply with existing regulation. "We can provide or implement Technology as long as it comply with regulation. According to current IT Regulation, digital evidence is able to be used for court evidence," according to Samuel.

Head of Sub Directorate Legal Entities, Ministry of Law and Human Right, Hadaris Samulia stated, "This breakthrough will ease investor to participate and to give their vote during GEM without having their present physically, This KSEI's initiative is align with our program to serve legal service for society via ahu.go.id. By implementing this platform. GEM will proceed faster and it will support Indonesia economic growth.

Following the signing of the MoU and the official appointment of MKK as the developer of the e-proxy and e-voting platforms, KSEI conducted the inauguration of a working group to develop e-proxy and e-voting platform. The working group consists of capital market participants, such as Indonesia Financial Authority Services, Self Regulatory Organization, Custodian Bank Association, Share Registry Association, Securities Company Association, Indonesia Notary Association, and *Indonesia Corporate Secretary Association*.

For more information regarding this matter, please contact:

**Marketing and Communication Unit
Indonesian Central Securities Depository**

Media Contact:

Nina Rizalina - (+6221) 5299 1019/ +62819 0500 0036

Adisty Widayarsi - (+6221) 5299 1033/ +62878 0004 4707

Email: kp@ksei.co.id

MKK - Central Securities Depository of Turkey
International Relations & Corporate Communications

Contact:

Tel: +90 212 334 57 00

Email: internationalrelations@mkk.com.tr