

## WEAK, PERMISSIVE AND ERROR-TOLERANT SUPERVISION: STARTING FROM CORRECTION HABITS TO ACQUIT ET DE CHARGE TRAP AS AN ENTRANCE TO CAPITAL MARKET SCANDAL

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### ABSTRACT

*Indonesian financial sector supervision, including the Capital Market is done by the Otoritas Jasa Keuangan/OJK (Financial Services Authority). Capital market is a market driven by the coming of new information. The punctuality and accuration of information are the key for an efficient capital market. The OJK structure and internal process makes us understand why OJK is weak, slow, permissive and error-tolerant to erroneousness. This condition is exploited by issuers/ listed companies, including, banking sector companies, ignoring the carefulness rules in delivering the disclosure obligation. It explicitly comes up from most of the correction and revision toward disclosures they have made or even not doing the disclosure obligation. Worse, the audited annual financial which have accepted and legalized by General Meeting of Shareholders and therefore receive acquit et de charge, is rectified for restatement reason. It seems that the OJK failed to understand and stutter against forms of non-compliance and old crime in the new structure, in the form of omission, for investors this failure was a form of impartiality to them. OJK should act as an investor's advocate, not an issuer carer. In addition to the silo structure, there is an incompatibility of the investigation function with the provisions regarding the investigation in accordance with the Criminal Procedure Code and other deficiency.*

*Keyword: Disclosures; Financial; Information value; Scandal; Supervision.*

### 1. INTRODUCTION

*On supervision...the main remaining challenges to effective supervision stem.... and OJK's capacity to supervise them, silos in OJK's internal structure and an insufficiently intrusive supervisory approach across sectors (IMF2017). This is the quote from IMF recommendation on the Financial System Stability Assessment. The structure example similar to silo is already self explained in 2014, when POJK No.34/ POJK.04/2014 about Nomination and Remuneration Committee was issued. It gives choices to listed companies in the capital market to establish Nomination*

*and Remuneration Committee or if not, its function will be held by the board of commissioners. As for banks, through Bank of Indonesia Regulation Number 8/4/PBI/2006 on Implementation of Good Corporate Governance for Commercial Banks as amended through Bank of Indonesia Regulation Number 8/14/PBI/2006 on Amendments to Bank of Indonesia Regulation Number 8/4/ PBI/2006 on the Implementation of Good Corporate Governance for Commercial Banks, the existence of these committee is absolute.*

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Table 1 is an tabulation of listed companies that make mistakes and announce them as revisions, corrections or rectifies. There are countless corrections and revisions to the implementation of the obligations disclosures, the types vary from mild; changes in the distribution of dividends schedule, to very heavy ones; rectifying the Annual Report while the Annual Report has been accounted for at the General Meeting of Shareholders (hereinafter referred to as GMS and/or RUPS, interchangeably). Corrections and revisions to information disclosure as a result of carelessness have become relatively better, compared to issuers who secretly hide violations. Meanwhile Table 2 and Table 3 are companies that do not comply with Regulation No. X. K. 2 on Obligation to Submit Periodic Financial Reports by not submitting Audited Financial Reports. The delay in the submission of audited annual financial reports for thirty days, certainly has implications for the delay in the availability and delivery of annual reports, the deadline is the end of the fourth month since closing the book.

In addition, there are also types of information that are micro in nature, such as based on the provisions of POJK No 55/POJK.04/2015 concerning the Establishment and Work Guidelines of the Audit Committee, the Audit Committee must be chaired by an Independent Commissioner and consisting of independent parties. But it turns out there are still public companies whose audit committees consist of commissioners or directors in affiliated companies. Another example is one of the SOE (hereinafter referred to as SOE or BUMN, used interchangeably) listed company whose Golden Share or Dwi Warna share are affected by the stock split so that there are five Dwi Warna shares in the issuer. Whereas based on POJK No. 21 Year 2015 concerning the Implementation of Public Company Governance Guidelines, of course OJK has received the Company's Articles of Association, Board Manual, Charter of Audit Committees and Internal

Audit Charter, from which OJK will be able to know, right/wrong, proper or not. Surely, it is inappropriate for a SOE to issue four additional Dwi Warna Shares. Even though in 2018 OJK has created an Electronic Reporting System which is an information system that is used as a means of delivering Reports electronically by Issuers or Public Companies to the Financial Services Authority (POJK No 7 Year 2018 Regarding Report Submission Through Issuer's Electronic Reporting System Or Public Company), seems to be ineffective, because the problem is not a matter of facilities and media, but a matter of compliance. As long as there is no enforcement rule, the comply or explain mechanism will not work.

The year 2018 was marked by the disclosure of two cases of corporate financial statements, namely the audited financial statements of Bank Bukopin (BBKP) and Sunprima Nusantara Pembiayaan (SNP), both of which were regulated and supervised by the OJK. BBKP is regulated and supervised by the OJK as a bank and as a public company while the SNP is regulated and supervised by the OJK as a finance company. One of them made corrections to the audited 2015 and 2016 financial statements that were retroactive. Whereas, on the financial statements that have been accepted by the GMS, they have been granted acquit et de charges, dividends have also been distributed. The company did not announce that restatement had been carried out. The party outside the company that knows the first time a restatement has occurred is not an OJK or an Exchange but rather from the capital market community. Whereas OJK through Article 20 of POJK No. 13 Year 2017 concerning the Use of Public Accountant Services and Public Accounting Firms in Financial Service Activities, OJK should receive incidental reports from the Public Accountant Office or vice versa, the Public Accountant Office must report to OJK if there are (1) significant violations of the provisions of the laws and regulations carried out by

the Party Implementing Financial Service Activities; (2) significant weaknesses in the control of the process of preparing and presenting the financial statements of the Parties Implementing Financial Service Activities; (3) significant weaknesses in the internal control of the party that carries out financial service activities; and/or (4) conditions or estimates of conditions that could endanger the continuity of the business of the party that carries out financial service activities. This finding later became gossip through the mass media and social media. Until here, the main tasks and functions of the OJK to regulate and supervise need to be questioned. The restatement case of the company's audited annual financial statements is threefold or fourfold scandal which has wide and widespread implications everywhere, which until the writing is completed there has been no resolution. OJK pretends there are no problems. Share holders who took the vote at the GMS also did not question it. The second case is a case of financial engineering of a finance company which then causes losses to banks that purchase Medium Term Notes issued by the finance company. The conditions as I said above are examples of bad seeds for the development of the Indonesian capital market which should be zero tolerance towards it. The inaccuracy and unreliability of the reporting system, including financial statements, is the beginning of an outbreak of Enron, WorldCom cases and others that have created a crisis of confidence in the information conveyed by issuers in the capital market. The United States has to enact the Sarbanes Oxley Act (SOX), whose preamble reads "to protect investors by improving the accuracy and reliability of corporate securities, and for other purposes". Weak rule enforcement efforts can be explained in the context of long-term relationships between companies and politicians who are relied on by companies. This long-term relationship can generate increased pressure from politicians to the SEC. Companies can also use political contributions to signal willingness to resist

SEC decision rule enforcement. Using data before and after the promulgation of SOX, namely GAO database from 1996 to June 2002 and the Glass Lewis database for the period June 2002 to December 2007, there is a positive correlation between political connections and SEC enforcement (Correia 2017). Transparency International, which measures and ranks 2017 Corruption Perception Index from 180 countries with a score scale of 0 to 100, the United States which ranks 16 with a score of 75, can be statistically proven to have a positive correlation between SEC rule enforcement and political connections. How about Indonesia which in rank of 96 and has scores of 37?

Opening the "listed company information disclosure" page on the Indonesia Stock Exchange website, with the keywords "correction" or "revision" or "corrective" will be found dozens of issuers who have the habit of making corrections, corrections and revisions. The important thing is to fulfill the reporting deadline first, if wrong or caught wrong, make corrections and corrections later. So cheap are corrections and corrections that they are scattered about information openness with a "correction" or "revision" or "erroneous" suffix, as if correction of information has no financial implications. The first nine months of 2018, which ended on September 30, 2018 alone, have had forty-three revisions or corrections to information disclosures from the mild, such as revisions to the schedule of bonus share distribution until the revision of longform financial statements. Whereas throughout 2017 there were thirty-four and in 2016 there were thirty revisions or corrections to information disclosure. Jumping to conclusion, there appears to be an effect of tolerance for errors in information disclosure. Error-tolerant has encouraged issuers to meet the deadline for information disclosure, if there is an error, there will be an opportunity to rectify.

Up to this point, if today a survey is made for the analysts and fund managers by asking questions: (1) do

you feel confident about the accuracy of information disclosure from the issuer? and (2) do you think information disclosure is reliable? I guess the result is negative. My guess goes from the results of a survey conducted thirteen years ago on the United States market to 401 CFOs, 78% among respondents consciously willing to sacrifice company value for income smoothing (Graham, Harvey and Rajgopal: 2005). This is understandable because the remuneration system such as giving bonuses, *tantieme*, and other monetary rewards is based more on profit targets achieving. Whereas in the banking sector for example, the decision to give a loan today will only have an impact in the coming year. Realizing this, the Financial Stability Board (2009) published the FSB Principles for Sound Compensation Practices. The Basel Committee on Banking Supervision, the International Association of Insurance Supervisors and the International Organization of Securities Commissions must follow it by making arrangements that are absolutely adopted by member countries of the three organizations. In Indonesia, implementation in the form of new regulations was implemented for the banking sector, through the Financial Services Authority Regulation No. 45 Year 2015 concerning the Implementation of Governance in Providing Remuneration for Commercial Banks.

## 2. METHOD

This research is a qualitative research. Primary data is obtained from the Indonesia Stock Exchange website. Secondary data is obtained from books, articles, and both print and online.

## CONCEPTUAL FRAMEWORK

Each Capital Market Law in the world always makes the phrase "realize the creation of regular, fair and efficient Capital Market activities and protect the interests of investors and the public" as both the ideals and *raison d'être* of the Law and its supervisory institutions. Guidance, regulation and supervision by

the Law were made the main tasks and functions of the establishment of capital market supervisors. The preamble of the founding of the International Organization of Securities Commissions (IOSCO: 2003) confirms the thirty basic principles of capital market regulation and supervision which depart from the three main objectives of regulation, namely: (1) investor protection (2) achieving fair, efficient and transparent markets; (3) systematic risk reduction.

The capital market is driven by the arrival of every new information, the valuation of the company will change because of new information, the valuation of the company will be executed by the actors to form prices on the market. For this reason, in the field of finance, research on the efficient market hypothesis must be information-based. From it, it is then known as weak form, semi strong and strong form hypothesis of capital market. Information on the capital market can be distinguished from information that is generated instantaneously from the trading of stocks or bonds on the stock exchange and the type of information that comes from listed companies. The first type of information is information about the price, volume and frequency of transactions. While information coming from companies can be distinguished from information that comes when companies conduct public offerings through an initial mandatory disclosures mechanism. After the company has completed the public offering and its securities are listed on the stock exchange, companies are required to submit information originating from the mechanism of continuing disclosures. The type of information on continuing disclosures is distinguished from information that comes from periodical disclosures and incidental disclosures from issuers. The range of periodical disclosures includes quarterly interim financial statements; middle of the year; annual financial report, report on the use of funds resulting from public offering, etc. Whereas incidental disclosures are all types of information or material facts

are important or relevant information or facts regarding events, events or facts that can affect the price of securities on the stock exchange and / or decisions of investors, prospective investors, or other parties with an interest in information or facts that is. Validity and reliability Initial disclosures are the responsibility of issuers and professions and capital market supporting institutions, tested first by capital market supervisors through the mechanism of registration statement submission. If the supervisor feels enough, then the registration statement is given an effective statement. Based on its nature, what is always awaited is information that is categorized as continuing disclosures. Because of this nature, I call disclosures as the main capital market doctrine, anything can be done on the capital market as long as it is preceded or followed by fulfilment of disclosures obligation (Haikal 2011)

The arrival of new information is always eagerly awaited, so that gossip, rumors, leakage of inside information is also valid new information in moving the market. Buy on rumors sell on fact! A mantra of collusion between Peter N. Brant, stock broker of Kidder Peabody, and R. Foster Winans, columnist of "Heard on the Street" in The Wall Street Journal (Lynch and Missal: 1985), shows how new information comes every time, the market will immediately react with investment or divestment decisions. The arrival of every new information on the capital market is awaited by every parties, from traders, research analysts, to fund managers. Analysts prepare financial projections based on historical data together with other information such as economic, industrial data, information from the company visit, analyst's meeting. If the information used by garbage information, the quality of its recommendations is also a recommendation for waste. The fund manager also underlies information-based decision making, if the information used is information that is corrected later in the day, then the decision that has been taken must also be corrected. The problem

is the analyst's recommendation and the decision taken by the fund manager contains the value of money. So that any correction of information originating from the source, also means a loss is worth the money as well.

The capital market in Indonesia, by age is old because it has existed since the Dutch East Indies government in the 19th century, is the fourth oldest stock exchange in Asia after Mumbay, Hong Kong and Tokyo, but for forty years hibernating because of World War I and II and the economy after the independence of Indonesia which was marked by hyperinflation, it was only in 1977 that the capital market was reactivated. The Capital Market Supervisor in Indonesia in 1977 was the Executing Agency and Capital Market Supervisor (Bappepam). The 1977 to 1995 period was a period when the capital market operated without the Capital Market Law even without the Limited Liability Company Law. In 1995 both laws were issued and took effect through Law No. 1 of 1995 concerning Limited Liability Companies and Law No. 8 of 1995 concerning Capital Markets. So that practically, if calculated from the law administered, namely Law No. 8 of 1995, the Indonesian capital market is only 23 years old. Bappepam, which is the regulator and capital market supervisor, has transformed into the Financial Services Authority (OJK) in 2013 after previously transforming into Bapepam-LK. The purpose of the integration of the Capital Market Supervisory Agency with Supervision of Financial Institutions to become Bapepam LK and then integration with supervision of Banking to become the Financial Services Authority is to eliminate *no man's land* which is a gray area in regulation and supervision.

Although Law No.8 of 1995 concerning the Capital Market is ancient but the articles governing capital market criminal matters related to disclosure (disclosures) remain up to date and relevant, even though in its development there are types of recent cases that are status quo. The new

crimes in old structures like this turned out to be faced by the United States as a developed country and became the world financial market center (NASEM: 2018). Capital market supervisors cannot rely solely on the Capital Market Law. Because those who are eligible to issue equity securities (shares) and bonds are only business entities incorporated as Limited Liability Companies, the capital market supervisors must make the Capital Market Law as a supplement, not a substitution of the Limited Liability Company Law. Why? Because CORPORATION n. *An ingenious device for obtaining individual profits without individual responsibility.*

Naturally there is no company law that has phrases or terms of investors and creditors. Because the company law is intended to provide protection to shareholders, what is certain is the term shareholders. For practicality, shareholders who can use the inherent rights of their shares are limited by a threshold. In Law No. 40 of 2007 concerning Limited Liability Companies, for example, the threshold is ten percent. This means that shareholders or a group of shareholders who gather but whose ownership is less than ten percent will never be able to use their rights to propose a GMS, propose a GMS agenda, nominate someone to become a director or commissioner. Shareholders whose ownership is less than ten percent, almost certainly own shares by buying company shares in the capital market whose supervision is carried out based on the Capital Market Law and carried out by capital market supervisors.

If this understanding is well comprehend by every capital market supervisor, then the financial market scandals are not stand alone but depart from the existence of corporate crime that starts from the weak internal control of the company rooted in poor corporate governance. Because the company issues and sells shares through a public offering mechanism in the primary market, the capital market supervisor must protect shareholders, including those who buy

them on the secondary market through the stock exchange. Most of these shareholders become minority shareholders and are often referred to as free float.

Based on market regulation, there are two main types of fraud related to information on the capital market, namely information misrepresentation and fraudulent financial reporting (also known as earnings management fraud). In the capital market, fraud and misrepresentation are often used interchangeably, although both have different meanings. In order not to become an etymology debate, I did not refer to the definition of fraud, but chose to use the meaning of financial scandal. According to Mirriam Webster online, scandal has a number of meanings: "Conduct that causes or encourages a lapse of faith or of religious obedience in another"; "Loss to or damage to reputation is caused by actual violation of morality or propriety"; "A situation or action that offends propriety or established moral concepts or disgraces those associated with it"; "A person whose conduct offends propriety or morality". The first two definitions contain the religious word, as virtue which is dogma, while the other two definitions are more mundane. Although it doesn't define specifically, what scandal is, Erhard and Jensen (2017) write that .... the seemingly never-ending scandals in the world of finance, accompanied by their damaging effects on value and human welfare ... implied that scandal has a bad impact on human values and well-being.

Chapter X of the Capital Market Law which consists of 5 articles governing Reporting and Information (disclosure). The two paragraphs in article 86 define and regulate periodical disclosures and incidental disclosures. In addition to these two types of disclosures, article 87 also regulates other types of disclosures, namely ownership of securities by company managers and ownership of securities that need to be reported because they reach a five percent threshold. Chapter XI of this Law consists of ten articles governing Fraud, Market Manipulation and Insider

Trading. In the articles of Chapter XI there are still arrangements regarding information. For example letter (c) article 90, which reads: "makes false statements about material facts or does not disclose material facts so that statements made are not misleading about the circumstances that occur when the statement is made with the intention to benefit or avoid loss for oneself or other Party or with the aim of influencing other Parties to buy or sell Securities". Information has also been interpreted not only in the form of statements, but includes the creation of images, as stipulated in Article 91: "Every Party is prohibited from taking actions, directly or indirectly, with the aim of creating a false or misleading picture of trading activities, market conditions, or prices of Securities in the Stock Exchange", as well as Article 92: "Every Party, both individually and jointly with other Parties, is prohibited from conducting 2 (two) or more Securities transactions, both directly and indirectly, causing the price of Securities in the Stock Exchange to remain, rise, or decrease with the aim of influencing other Parties to buy, sell or hold Securities". Article 93 returns to information regulation *an sich*, namely: "Every Party is prohibited, in any way, from making a statement or providing information that is materially incorrect or misleading so that it affects the price of Securities on the Stock Exchange if at the time the statement is made or the statement is given: (a) The party concerned knows or duly knows that such statement is materially incorrect or misleading; or (b) The party concerned is not careful enough in determining the material truth of the statement. Article 93 has been used to provide administrative sanctions (only) to the Directors of PT Perusahaan Gas Negara (Persero), Tbk in 2007. The other six articles in Chapter XI concern the inside information and insider trading.

Corrections and revisions to information disclosure are a result of inaccuracies in the substance of the information announced, such as the

revision of bonus share distributions (NISP: 7 March 2018) to the heaviest such as revisions to long-form financial statements (BBRI: 11 May 2018), or revisions annual report (BBTN: June 22, 2017) meets the criteria of "making false statements about material facts". The BBKP case until the date of this writing, in fact has never carried out the disclosure obligation at all that there have been restatement of audited financial statements for 2015 and 2016. Utilizing the lazy reading culture, the restatement is stated in the audited financial statements themselves. Corrections and corrections to 2016 financial statements are known not by the OJK (both from the elements of banking supervision and from the elements of capital market supervision) and the Exchange. BBKP fulfills the element of "not disclosing material facts".

Financial report scandals are not something that has just happened, previously it happened in Indonesia starting from earnings management practices as in the KAEF case, which based on the results of a 2002 Bapepam examination found evidence that the income ended December 31, 2001 was reported to have overstated IDR 32.7 billion. Similarly, INAF in 2004 because the company reported overstated inventories of IDR 28.87 billion and understated basic prices of IDR 28.8 billion so that profits were overstated by IDR 28.8 billion. Such cases at that time really shocked the capital market, and proved that fraudulent financial statements have a close relationship with earnings management (Handayani, Tarjo, Rimawati: 2016)

Similar but not the same as the BBKP case, exceeding the complexity of the KAEF and INAF financial report scandals. This case stems from the correction of the company's current year comprehensive income from originally Rp 2,290,880 million (2016 FY) to the 2016 financial statements to Rp 1,376,735 million (2016 FY) presented in 2017 financial statements or a decrease of 40%. If the sequence in longform note 51 is found, the explanation is as follows: "In 2017, the Bank restated its consolidated

financial statements on 31 December 2016 and 1 January 2016/31 December 2015, and for the year ending 31 December 2016, in connection with the correction of presentation errors on: (i) Bank credit card receivables caused by modification of certain credit card data, and (ii) Islamic financing/ receivables in the subsidiary of Bank Syariah Bukopin related to the additional balance of Allowance for Impairment Losses (therinafter CKPN) for certain debtors. The BBKP scandal raises doubts about two things at once: (1) doubts about data integrity, because of the misstatement of credit card receivables caused by modification of data, then the integrity of the data for the previous years and the following years is worth questionable, why need to be modified? (2) If the addition of certain debtor Allowance for Impairment Losses balances on Islamic finance is only known one or two years after the event, then the quality of internal controls and parent relations with subsidiaries also needs to be doubted.

The BBKP case is more accurately referred to as acquit et de charge trap. The BBKP financial report scandal is complex and complicated because the 2015 financial statements have been accounted for at the 2016 GMS and 2016 financial statements have been accounted for at the 2017 GMS and have been accepted by the GMS and therefore the GMS has issued a verdict of acquit et de charge. Based on the decision to accept the accountability of 2016 financial statements, the GMS has also decided to distribute 30% of the dividend from Rp 1,086,605 million (Rp 325,982 million) as cash dividends and 70% from Rp 1,086,605 million as retained earnings (Rp 760,624 million).

If changes in accounts receivable due to modification of credit card data and the addition of CKPN are caused due to accounting policies or due to changes in accounting treatment, then it is impossible to be retroactive. Why is this: (1) the 2015 annual financial statements and the 2016 annual financial statements have been accounted for by the Directors to the GMS.

The 2016 AGMS, and the 2017 AGMS have provided acquit de charge, to the Board of Directors and Board of Commissioners. After the correction, mathematically there was an excess pay dividend of Rp. 270,921 million and the excess of recording retained earnings of Rp. 632,148 million would the shareholders who had received the dividend have to return it? Of course not, because the regulation of dividend returns regulated in Article 72 of the PT Law is interim dividends while the final dividend may be an interim dividend. If (1) all shareholders refuse to return dividends (2) there is no obligation to pay dividends; then the Board of Directors and Board of Commissioners are jointly responsible for returning it. The impact of restatement is indeed everywhere, one of which is a decrease in the value of the core capital of the bank concerned.

In this context, the revaluation of assets that have been implemented and the rights issuance plan are acknowledged to replenish the decline in core capital. As a result, ultimately the shareholders must bear the carelessness of the company's management. This is unfair and unjust. What about bonuses and insentive or all variable salary components received by the Directors and Commissioners? As *per sethe* FSB Principles for Sound Compensation Practices that have been adopted by OJK through POJK No. 45 Year 2015 on Implementation of Governance in Providing Remuneration for Commercial Banks, all provisions regarding clawback (return of all variable remuneration components) for remuneration already accepted applies, as well as the provisions regarding malus (the delay of all variable remuneration components) for the remuneration to be accepted also applies. Changes in accounts receivable due to modification of credit card data and the addition of CKPN due to accounting policies or due to changes in accounting treatment, it is impossible to be retroactive. Retroactivity is given so that the financial statements continue to receive unqualified opinions which means that the interests

of the directors as auditees are not for the benefit of shareholders. KAP assigned to audit financial statements “forgets”, or “does not know” that the authority to appoint KAP is the domain of the GMS which selection and election process is delegated to the Board of Commissioners. Therefore, it should comply with Article 20 POJK No. 13 Year 2017 on the Use of Public Accountant Services and Public Accounting Firms in Financial Services Activities, KAP reports to the OJK and reports cases of misstatement (i) Receivables credit card bank caused by modifications certain credit card data, and (ii) sharia financing/receivables in a subsidiary of Bank Syariah Bukopin related to the addition of the balance of certain debtor Impairment Losses (CKPN) in the 2015 and 2016 financial year to shareholders through a GMS mechanism requested through the Board of Commissioners.

Article 66 of the PT Law requires directors and commissioners to submit an Annual Report to the GMS. The annual report is an Audited Financial Report plus *management discussion and analysis*. This annual report must be approved and legalized by the General Meeting of Shareholders. After being approved and legalized, the GMS will present “*acquitt et de charge*” to the Board of Directors and the Board of Commissioners. From the Black Law Dictionary (online), “*acquitt et de charge*” is interpreted as “*to set free, release or discharge from an obligation, duty, liability, burden, or from accusation or charge*”. This implies that the directors will no longer be sued to be responsible for the loss of the company. It should be borne in mind that (1) that the *acquitt et de charge* only applies to legal actions of the board of directors that have been reported or reflected in the annual report and the report has been received by the AGM. On the contrary, the legal actions of the board of directors that are not reported or reflected in the annual report, become personal responsibility with all legal consequences (2) *acquitt et de charge* will only provide civil liability and repayment, while the legal actions of the

directors are criminal not included and therefore cannot be given *acquitt et de charge*. Thus, it means that the directors must be responsible for criminal acts committed by them, both for and on behalf of the company, so that the company cannot be blamed. In the context of the BBKP, there is clear *actus reus*. Now the OJK needs to develop the *mens rea* argument. To develop the *mens rea* argument it is necessary to make a boundary between accidental events (from *negligence* to *reckless*) or intentional events (*intention*).

### 3. RESEARCH RESULT AND DISCUSSION

IOSCO (2005) has identified seven separate areas that have a prominent role in various financial scandals in the capital market, three of which are: (1) corporate governance, including the role of independent directors in companies, board of directors, protection of minority shareholders, importance of independent auditor oversight committee, and mechanism to protect conflicts of interest presented by related party transactions; (2) auditors and audit standards, including auditor independence, effectiveness of audit standards and auditor oversight, and problems related to the auditor's mandatory rotation; (3) issuer's disclosure requirements, including discussion and management analysis, material events and factors that might affect the company.

#### 1. OJK, a Financial Supervision Authority without Authority?

Regarding the BBKP financial statements, there was no OJK official statement found either on Press Releases or Other Announcements, but in the case of financial statement engineering PT Sunprima Nusantara Finance (PT SNP), on 1 October 2018 the OJK gave administrative sanctions in the form of cancellation of registration to Public Accountants Marlinna, Public Accountant Merliyana Syamsul and Public Accountant Office (KAP) Satrio, Bing, Eny and Partners related to the results of OJK's examination

of PT Sunprima Nusantara Finance. Regarding administrative sanctions, Mandiri Bank as one of PT SNP's biggest creditors, must strive to sue KAP while waiting for a review from the Indonesian Institute of Accountants. The flow of this narrative raises questions, why did OJK provide administrative sanctions two days after the Minister of Finance gave administrative sanctions? It turned out that even though OJK issued and administered POJK No. 13 of 2017 concerning the Use of Public Accountant Services and Public Accounting Firms in Financial Services Activities, this POJK could not be used as a basis for decision making to impose sanctions on Public Accountants and / or Public Accountant Office. OJK apparently needs to wait for the decision of the Minister of Finance. The findings of the Center for Financial Professional Development (PPPK, which stands for Pusat Pembinaan Profesi Keuangan) shows that there are violations of professional standards in audits conducted on SNP Finance financial statements since the financial year 2012 to 2017! Administrative sanctions provided by OJK are exactly the same of sanctions given by PPPK through the Minister of Finance. OJK Status in this KAP case is the complainant or reporter to the Center for Financial Professional Development.

The results of the PPPK examination concluded that Marlinna and Merliyana Syamsul Public Accountants had not complied with the Audit Standards - Professional Standards of Public Accountants in the implementation of general audits of SNP Finance's financial statements. The Auditing Standards and Professional Standards for Public Accountants include: (1) understanding of information system control related to customer data and the accuracy of financing receivable journals, (2) obtaining sufficient and appropriate audit evidence

on Consumer Finance Receivables accounts and in believing the fairness of assertions of occurrence and (3) separate boundary assertions of Income accounts, (4) implementation of adequate procedures related to fraud risk detection processes and responses to fraud risks, and (5) professional skepticism in planning and conducting audits. Whereas the quality control system possessed by KAP contains weaknesses because it has not been able to properly prevent the threat of closeness in the form of a long enough relationship between senior personnel (audit team manager) in the audit engagement of the same client for a long period of time. The Ministry of Finance considers that this has resulted in reduced professional skepticism. The items adopted by the PPPK are the second point in the *Strengthening Capital Markets Against Financial Fraud document* (IOSCO, 2005).

In the case of BBKP, both as a bank and as a listed company, another problem that stands out is the issue of governance. The 2007 Limited Liability Company Law does not mention the GMS as the highest organ of the company, but the GMS is defined as the Organ of the Company that has no authority given to the Board of Directors or Board of Commissioners, one of which is the authority to appoint KAP to examine and provide opinions on the company's Financial Report. In the process of procurement and selection of KAP, this authority was delegated to the Board of Commissioners. The selected Shortlisted KAP was given to the GMS to decide on its appointment. If there is a problem with the auditee during the audit process, the auditor should consult only with the GMS, but because the procedural GMS is held and takes at least 35 days before its implementation, KAP should consult with the Board of Commissioners. If and only if the Board of Commissioners cannot decide, it must be escalated

to the GMS. If conditions like this are not or have not been regulated in the Articles of Association or the Manual of the Company, the Board of Commissioners should think with adagias that ethics is beyond the law. Even this does not happen, because the closest EGMS held on January 10, 2018 is the change of Directors in connection with the resignation of the President Director.

On May 2, 2018, BBKP answered the question of the Head of the Indonesia Stock Exchange Valuation Division, among others revealed in the letter that the company had reported to OJK regarding the 2015 and 2016 audited financial statements due to (1) adjustments to the presentation of credit card product receivables because there are abnormal credit card transactions generated by the system that are not in accordance with the accounting standards and internal provisions of the company (2) islamic financing/receivables because of adjustments to the quality of financing and the impact on the formation of Allowance for Impairment Losses at Bank Syariah Bukopin (a subsidiary) (3) the process of restatement is in accordance with accounting principles. This restatement plan has been approved by the OJK by letter No. OJK. SR.14/PB.3/2017 dated December 28, 2017. The problem is which OJK? Apparently from the OJK Banking Supervisor. Both the BBKP and the OJK so-called Banking Supervisor do not know enough about themselves, that Bukopin is supervised by OJK not only in its capacity as a bank, but as a public company. This is what the IMF (2017) calls "*silos in OJK's internal structure*".

Because in 2017 the OJK has issued POJK No. 13 of 2017 on the Use of Public Accountant Services and Public Accounting Firms in Financial Services Activities, another question arises, whether in examining the auditee KAP has carried out compliance with

the letter (b) number (4) Article 20 by submitting incidental reports to the OJK in the event that they are found: (1) significant violations of the provisions of the laws and regulations carried out by the Parties Implementing Financial Services Activities (2) significant weaknesses in the control of the process of preparing and presenting financial statements of the parties carrying out service Finance (3) significant weaknesses in the internal control of the party that carries out financial service activities; and / or (4) conditions or estimates of situations that could endanger the continuity of the business of the party that carries out financial service activities.

Small cases up to the scandal presented above is an illustration of how weak the supervision is. Small case can be big, so no matter how small the case is, it should not be underestimated. Large cases are the accumulation of small cases, large stones will never make a person fall, but underestimation of small stones can make someone stumble and fall. There is no need to argue anymore, that scandals in the Indonesian capital market have existed since supervision was carried out by Bappepam; Bapepam; Bapepam LK and which is now known as OJK. The problem is before OJK conducts supervision, all kinds of costs that arise for the operation of Bappepam; Bapepam; Bapepam LK is a burden on the State Budget. But now, after being transformed into OJK, most of OJK's operational costs are borne by SROs, institutions and professions, issuers, securities companies in the form of annual contributions. In the past when operational costs were still a burden on the state budget, the parties' losses to the scandals that occurred only amounted to material losses. But now in it contains immaterial losses due to the argument "I have already paid the security guard, why can the thief still break into my house". The main

cause of the OJK being soft, slow and tolerant of errors has been explained by itself through the Indonesian Financial System Stability Assessment document, IMF Country Report No. 17/152. In the document, the findings underlying the conclusions are quite clear, as well as the problem solution. I will add some important points that are precisely in the IMF document not discussed as a source of OJK weakness.

## 2. Incompatibility of Investigation Functions in OJK Law with OJK Independence

*Per se* Law No. 8 of 1981 on the Criminal Procedure Code (KUHP), investigators are state police officers of the Republic of Indonesia or certain civil servant officials who are specifically authorized by law to conduct investigations. The investigator gets the authority from the law to carry out a series of investigative actions in terms of and according to the manner regulated to search for and collect evidence that will make it clear about the crime that occurred and to find the suspect.

As a consequence of carrying out functions as supervision of activities in the Capital Market, supervisors need to be given the authority to carry out checks on any Party that is suspected of having, is currently, or attempting to make or order, participate in, persuade, or assist in violating the Capital Market Law and or implementing regulations. With this authority, supervisors can have the authority to collect data, information, and / or other information needed as evidence of violations of this Law and / or implementing regulations. Violations that occur in the Capital Market are very diverse in term of types, *modus operandi*, or possible losses. Therefore, supervisors need to be given the authority to consider the consequences of violations that occur and the authority to forward them to the stage of investigation based on these considerations. Investigation

in the Capital Market is a series of investigative actions to search for and collect the necessary evidence so that it can make light about the capital market crime that occurred, find the suspect, and find out the magnitude of the loss caused. Investigators in the Capital Market are Officials of Civil Servants appointed by the Minister of Justice in accordance with the provisions of the applicable legislation. Civil Servant Investigation Officials (hereinafter referred to as PPNS) officials are certain civil servants as referred to in the Criminal Procedure Code, both at the central and regional levels who are specifically authorized by law. The Capital Market Law (Law No. 8 of 1995) has structural weaknesses because it was designed and made to be implemented and administered by Bapepam (also Bapepam LK) which is a work unit under the Minister of Finance, not by an independent institution such as OJK. Bapepam and also Bapepam LK which is a work unit chaired by echelon 1 officials from the Ministry of Finance who have Civil Servant Investigators.

Based on Article 1 number 1 of Act Number 21 of 2011 concerning the Financial Services Authority which reads: "The Financial Services Authority (OJK) is an institution that is independent and free from interference from other parties, which have the functions, duties, and authority of regulation, supervision, examination, and investigation as referred to in this Act ". Since it changed its form to OJK, both the OJK Law and the OJK structure, it is not possible to have investigators who own it. Because based on the Regulation of the Chief of the Indonesian National Police Number 20 of 2010 concerning Coordination, Supervision and Development of Investigations for Civil Servant Investigators, there are only two types of investigators: (1) Investigators are police officers

appointed and specifically authorized by law to conduct investigation; (2) Civil Servant Investigators (PPNS) are certain Civil Servants Officers based on the laws and regulations designated as Investigators and have the authority to conduct criminal investigations within the scope of the law which become their respective legal basis.

This is evident in POJK No. 22 of 2015 concerning Criminal Investigations in the Financial Services Sector. In this POJK, OJK investigators are defined as follows: "OJK Investigators are Officials of the Republic of Indonesia National Police and / or Civil Servants Officials who are specifically authorized as Investigators, who are employed at OJK to Investigate Crimes in the Financial Services Sector as referred to in Act - Law Number 21 Year 2011 concerning OJK. " It is quite clear and clear that OJK is not independent because it depends on other agencies in terms of providing investigators.

The mechanism for borrowing PPNS from government agencies such as the Prosecutors and the National Police has made OJK no longer independent because it depends on the willingness of other agencies to lend investigators. On the other hand, if the investigators do not have it, then every time OJK finds its findings, it must act as a reporter to report to the Police or the Indonesian Prosecutor's Office. OJK is not a ministry nor is it a non-ministerial government institution that has the right to have PPNS. Therefore the Articles in Chapter XI of the OJK Law are not compatible with the independence of the OJK itself.

### **3. Deficiency of Violation Settlement in the Capital Market**

Prioritizing *off-court* settlement through mediation, conciliation and arbitration departs from an unstated assumption that not all violations of the Capital Market Law and / or its implementing regulations must proceed to the

investigation stage because this can actually hinder the activities of bidding and / or the overall trading of Securities. Assumptions that are wrong because then in Chapter XV of the Criminal Provisions in the Capital Market Law it is stated that "Every Party that violates the provisions referred to in Article 90, Article 91, Article 92, Article 93, Article 95, Article 96, Article 97 paragraph (1), and Article 98 is threatened with imprisonment for a maximum of 10 (ten) years and a maximum fine of Rp. 15,000,000,000.00 (fifteen billion rupiah) ". If the losses incurred endanger the Capital Market system or the interests of investors and or the public, or if there is no settlement of the losses that have arisen, Bapepam may initiate an investigation into the criminal prosecution.

### **4. Shortsighted and Myopic**

At the Stock Exchange there are 20 state owned companies (not including soe's subsidiaries), all SOEs are subject to the obligation to implement Partnerships and Community Development Program (hereinafter referred as PKBL) as mandated by the SOE Law. Because PKBL is not the same as corporate social responsibility, in terms of, PKBL is taken from the percentage of net income after deducting dividends, then all shareholders of SOE's are affected. The formula for retained earnings does not originate from Net Profit minus only distributed Dividends, but after first having to be deducted by PKBL. Accounting, PKBL funds are treated by Entities Without Public Accountability (ETAP). Although it is treated as ETAP, PKBL Funds are owned by all company shareholders. OJK that administers the Capital Market Law forgets or shortsighted that in paragraph (2) Article 69 of the Capital Market Law it is stated that Bapepam can determine the accounting provisions in the Capital Market sector.

The financial statements of the PKBL Fund include those requested

by the Directors and Commissioners of SOE listed companies to the GMS. But to this day the OJK has never regulated the obligation to submit PKBL financial reports to all shareholders as well as the obligation to announce the financial statements of the related BUMN Tbk. More or less the same applies to several types of new capital market instruments such as the Asset Backed Securities Collective Investment Contract (KIK EBA) and Participatory Letter Asset Backed Securities (EBA SP) which must be listed on the stock exchange, but information about both types of instruments is nil because the OJK does not require the financial statements submission

#### 4. CONCLUSION

Supervising is one of the leading elements. Leading activities is aimed to achieve functional behavior from all the constituents they lead, namely achieving: transparency, accountability, responsibility, fairness and equality. In general, OJK as a financial sector supervisory institution has legitimate power that comes from Law No. 21 of 2011 concerning the Financial Services Authority. As a supervisor of the legitimate capital market, it also comes from Law No. 8 of 1995 concerning Capital Markets. As a supervisor who has legitimate power, OJK instantly has coercive power. Every action from market constituents that lead to dysfunctional behavior, must be given a warning, penalty and punishment. Warning, the sentence must be announced in order to have a demonstration effect so that it is expected to cause a deterrent effect for other issuers. Who deserves legitimate power are those who have highest integrity and expert power. The problem of weakness, softness, the slow pace of OJK besides coming from the problem of organizational structure is a problem of leaderships. The issue of organizational structure in the form of silo structure is not too difficult to solve, namely with an internal SOP that explains the distribution of power among commissioners (for

example): who has the right to sign a violation decision or a Regulation: Chairperson of the Commissioner or Commissioner). Because being monitored is a business entity incorporated as a Limited Liability Company with all its inherited defects, the nature of supervision is absolutely departed from professional skepticism (not believing until proven); intrusive (at any time has the opportunity to come in situ). OJK's dilemma is in the case of Civil Servant Investigators. Hiring PPNS will actually eliminate its independence because the OJK will immediately be classified as a ministry / non-ministerial government institution. Conversely, not having an investigator would make the FSA not like lame duck. With the weak condition of the OJK, market integrity cannot be entrusted as a whole to the OJK. The orderly and strong Bank Indonesia feels that it is necessary to have an organ of the Bank Indonesia Supervisory Agency, so for the weak and slow OJK, it is time to form an OJK Oversight institution.

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## APPENDIX

**TABLE 1**  
**TABULATION OF CORRECTION AND REVISION**  
**1 JAN 2016 – 31 DES 2016; 1 JAN 2017 – 31 DES 2017 & 1 JAN 2018 – 30 SEPT 2018**

2016				2017				1 Jan 2018 sd 30 Sept 2018			
Tgl	Count	Ticker	Jenis	Tgl	Count	Ticker	Jenis	Tgl	Count	Ticker	Jenis
08-Jan-16	1	UTIS	revisi laporan realisasi pembelian kembali saham	04-Jan-17	1	BRAU	revisi laporan kepemilikan saham	09-Jan-18	1	RIMO	revisi perubahan kepemilikan saham
08-Feb-16	1	NAM	revisi Obligasi Wajik Konversi	11-Jan-17	1	BUXK	revisi laporan transaksi afiliasi	17-Jan-18	1	WOS	revisi realisasi penggunaan dana PO
09-Feb-16	1	TCO	revisi laporan kepemilikan saham	09-Feb-17	1	ULBD	revisi prospektus ringkas	24-Jan-18	1	BNGA	revisi kesiapan pembayaran bunga obligasi
10-Feb-16	1	BUTA	revisi penatatan saham	13-Feb-17	1	PSKT	revisi informasi tambahan PUT Tahap II 2017 dengan HMETD	08-Feb-18	1	SNFP	revisi keterbukaan informasi PUB 4
17-Feb-16	1	BBR	revisi penatatan obligasi berkelanjutan	22-Feb-17	1	IMRG	revisi jukdis HMETD	12-Feb-18	1	IMFI	revisi keterbukaan informasi PUB
25-Feb-16	1	MDUV	revisi laporan kepemilikan saham	20-Mar-17	1	BOUT	revisi mata azam RUPS	13-Feb-18	1	OIDD	revisi laporan bulanan kepemilikan saham
04-Mar-16	1	TCO	revisi laporan kepemilikan saham	24-Mar-17	1	SMGR	revisi laporan penggunaan dana hasil emisi	15-Feb-18	1	AMRT	revisi penambahan modal
07-Mar-16	1	BUTZ	Revisi penambahan modal dengan HMETD	27-Mar-17	1	SOBI	revisi informasi rencana Go Private	21-Feb-18	1	WSKT	revisi informasi tambahan obligasi
10-Mar-16	1	IMR	revisi informasi PUB II	29-Mar-17	1	BOUT	revisi rencana RUPS	28-Feb-18	1	INCO	revisi siaran pers pengapalan usaha kuartal IV 2017
24-Mar-16	1	OMIP	revisi hasil penelitian pengusahan jalan tol	30-Apr-17	1	PLAS	revisi radio reverse stock	06-Mar-18	1	ICST	revisi tanggal penganggilan RUPS
29-Mar-16	1	TRIO	revisi pendanaan PKPU	30-Apr-17	1	PLAS	revisi radio reverse stock	07-Mar-18	1	NISP	revisi jadwal pembagian saham bonus
13-Apr-16	1	ASBI	revisi recording date DPS untuk RUPS	04-Mei-17	1	SHAP	revisi informasi public expose	26-Mar-18	1	FORZ	revisi laporan keuangan 2016 (restatement)
20-Apr-16	1	BESA	revisi transaksi keafiliasi dan material	08-Mei-17	1	MSKY	revisi informasi tambahan PUT Tahap II 2017	02-Apr-18	1	FORZ	revisi laporan keuangan tahunan 2017 (restatement)
02-Jun-16	1	REN	revisi agenda RUPS	09-Mei-17	1	MSKY	revisi waktu agenda RUPS RUPS terkait HMETD	10-Apr-18	1	MEIC	revisi penambahan modal tanpa HMETD dan buy back
07-Jun-16	1	MDL	revisi tanggal distribusi dividen	17-Mei-17	1	TUFI	revisi informasi tambahan PUB Tahap II 2017	26-Apr-18	1	BNGA	revisi kesiapan pembayaran bunga obligasi
29-Jun-16	1	REN	Revisi penambahan modal tanpa HMETD	22-Mei-17	1	FREN	revisi waktu agenda RUPS RUPS	27-Apr-18	1	CTRA	revisi penambahan modal tanpa HMETD
29-Jun-16	1	WIGA	revisi tanggal terakhir perdagangan wajar	02-Jun-17	1	IMCOR	revisi rencana RUPS	27-Apr-18	1	SMGR	revisi periode pelaksanaan MESOP
26-Jul-16	1	WTON	revisi laporan keuangan TW II 2016	07-Jun-17	1	BULL	revisi waktu agenda RUPS RUPS	07-Mei-18	1	UVSH	revisi laporan keuangan as of 31 Maret 2018
25-Jul-16	1	CTRA	revisi ratio dividen saham	08-Jun-17	1	BMR	revisi informasi tambahan PUB Tahap II 2017	09-Mei-18	1	UTIS	revisi tanggal analyst meeting
25-Jul-16	1	CTRP	revisi ratio dividen saham	12-Jun-17	1	MEOC	revisi informasi tambahan PUB Tahap V 2017	09-Mei-18	1	OVME	revisi agenda RUPS
25-Jul-16	1	CTRP	revisi penatatan saham tambahan	22-Jun-17	1	BRTN	revisi ANNUAL REPORT 2017	11-Mei-18	1	BRR	revisi laporan keuangan longform
29-Jul-16	1	PGAS	revisi materi public expose	06-Jul-17	1	IOX	revisi penyampaian laporan keuangan	14-Mei-18	1	SPDO	revisi penatatan perdana
20-Agt-16	1	PTPP	Revisi penambahan modal dengan HMETD	07-Jul-17	1	BULL	revisi waktu agenda RUPS RUPS	17-Mei-18	1	BINA	revisi tanggal RUPS
21-Agt-16	1	BKIP	revisi fakta material	19-Jul-17	1	SILO	revisi press release pembukaan RS baru	21-Mei-18	1	BPP	revisi jadwal PUT
11-Okt-16	1	BABP	revisi jumlah penatatan saham	03-Agt-17	1	ERAA	revisi laporan keuangan 3Q Juni 2017	28-Mei-18	1	MICE	revisi materi public expose
12-Okt-16	1	RAVC	revisi laporan kepemilikan saham	08-Agt-17	1	BRR	revisi informasi tambahan PUB Tahap II	05-Jun-18	1	CPRO	revisi jadwal penambahan modal tanpa HMETD
25-Okt-16	1	PMBN	revisi informasi PUB II	10-Agt-17	1	IOX	revisi penyampaian laporan keuangan	06-Jun-18	1	CSAP	revisi rencana penambahan modal tanpa HMETD
02-Nov-16	1	JBVR	revisi tanggal HMETD	24-Agt-17	1	IMAVA	revisi transaksi afiliasi	08-Jun-18	1	SRTE	revisi keterbukaan informasi fakta material pembelian lembar
18-Nov-16	1	BMTB	revisi MESOP	22-Sep-17	1	POOL	revisi nama BAE	08-Jun-18	1	UCGP	revisi laporan keuangan triwulan 1-31 Maret 2018
18-Nov-16	1	MINN	revisi MESOP	27-Okt-17	1	ISAT	revisi cover penawaran umum berkelanjutan	13-Jun-18	1	FPNI	revisi rencana RUPS
				28-Okt-17	1	BULL	revisi waktu agenda RUPS RUPS	26-Jun-18	1	MDRN	revisi rencana penambahan modal tanpa HMETD
				07-Nov-17	1	LPKR	revisi pengumuman rencana RUPS	26-Jun-18	1	BABP	revisi jumlah penatatan HMETD dan varian Seri IV
				20-Nov-17	1	SRAI	revisi pengunduran diri komisaris independen	26-Jun-18	1	PSAB	revisi tanggal RUPS dari 29 Juni menjadi 18 Juli 2018
				28-Nov-17	1	MGIA	revisi laporan keuangan Tri Wulan September 2017	29-Jun-18	1	UMAS	revisi laporan keuangan tahunan (terakhir revisi 7 Juni 2018)
								06-Agt-18	1	MGRO	revisi laporan keuangan interim
								07-Agt-18	1	BHIT	revisi restated debt-to-equity swap
								09-Agt-18	1	VUJE	revisi lhaaman 17 laporan keuangan 30 Juni 2018
								29-Agt-18	1	GBVS	revisi surat pernyataan di reksi tentang tanggung jawab laporan
								30-Agt-18	1	WGI	revisi pengunduran diri di reksi
								30-Agt-18	1	BSPR	revisi lhaaman penganggilan RUPS
								31-Agt-18	1	TRIO	revisi laporan keuangan interim 31 Maret 2018
								31-Agt-18	1	UCGP	revisi catatan laporan keuangan 31 Maret 2018
								06-Sep-18	1	POOL	revisi catatan laporan keuangan 31 Maret 2018
SUM	30			SUM	34			SUM	43		

Source: Indonesia Stock Exchange

**TABLE 2**  
**COMPANIES THAT DO NOT SUBMIT 2017 AUDITED FINANCIAL**  
**STATEMENTS 30 DAYS AFTER THE DEADLINE**

No	Ticker	Company Name	No	Ticker	Company Name
1	AISA	Tiga Pilar Sejahtera Food	18	GLOB	Global Teleshop
2	APEX	Apexindo Pratama Duta	19	TRIO	Trikonsel Oke
3	ATPK	Bara Jaya International	20	MTFN	Capitalinc Investment
4	BIPI	Benakat Integra	21	CKRA	Cakra Mineral
5	BORN	Borneo Lumbung Energi & Metal	22	ARMY	Armidian Karyatama
6	BTEL	Bakrie Telecom	23	DAJK	Dwi Aneka Jaya Kemasindo
7	CPRO	Central Proteina Prima	24	MTYRX	Hanson International
8	DEWA	Darma Henwa	25	SSTM	Sunson Textile Manufacturer
9	ELTY	Bakrieland Development	26	GTBO	Garda Tujuh Buana
10	ENRG	Energi Mega Persada	27	KRAH	Grand Kartech
11	ETWA	Eterindo Wahanatama	28	SCPI	Merck Sharp Dohme Pharma
12	MAGP	Multi Agri Gemilang Plantation	29	GREN	Evergreen Invesco
13	TAMU	Pelayaran Tamarin Samuda	30	NIPS	Nippres
14	UNSP	Bakrie Sumatera Plantation	31	PPNX	Perkebunan Nusantara X
15	MDRN	Modern International	32	STTP	Siantar Top
16	TRUB	Truba Alam Manunggal Engineering	33	LCGP	Eureka Prima
17	SAFE	Steady Safe	34	ZBRA	Zebra Nusantara

Source: Indonesia Stock Exchange

**TABLE 3**  
**COMPANIES THAT DO NOT SUBMIT 2017 AUDITED**  
**FINANCIAL STATEMENTS 60 DAYS AFTER THE THE DEADLINE**

No	Ticker	Company Name	No	Ticker	Company Name
1	AISA	Tiga Pilar Sejahtera Food	18	KRAH	Grand Kartech
2	APEX	Apexindo Pratama Duta	19	GREN	Evergreen Invesco
3	ATPK	Bara Jaya International	20	STTP	Siantar Top
4	BIPI	Benakat Integra			
5	BORN	Borneo Lumbung Energi & Metal			
6	BTEL	Bakrie Telecom			
7	CPRO	Central Proteina Prima			
8	ENRG	Energi Mega Persada			
9	ETWA	Eterindo Wahanatama			
10	TAMU	Pelayaran Tamarin Samuda			
11	UNSP	Bakrie Sumatera Plantation			
12	TRUB	Truba Alam Manunggal Engineering			
13	TRIO	Trikonsel Oke			
14	MTFN	Capitalinc Investment			
15	CKRA	Cakra Mineral			
16	ARMY	Armidian Karyatama			
17	MTYRX	Hanson International			

Source: Indonesia Stock Exchange