

# OJK Mandates Dematerialization of Physical Shares and Regulates Unclaimed Assets in the Capital Market Through POJK 9/2025



## Summary

- OJK has introduced a new regulation on the obligation to dematerialize securities and framework to manage unclaimed assets in the capital market.
- POJK 9/2025 mandates full dematerialization of equity securities within 5 (five) years, requiring conversion of all physical share certificates into scripless form and established a comprehensive legal framework for the identification and management of unclaimed capital market assets by setting out clear procedures for claim periods, notification requirements, and the determination of the party that will manage any unclaimed assets.
- This new regulation introduces strict reporting, disclosure, compliance obligations, and aligns a centralized ownership recording system with international standards and enhances legal certainty for unclaimed assets governance.



## Background

On 28 April 2025, Indonesian Financial Services Authority (*Otoritas Jasa Keuangan* or “**OJK**”) enacted Regulation Number 9 of 2025 on the Dematerialization of Equity Securities and Management of Unclaimed Assets in the Capital Market (“**POJK 9/2025**”).

Historically, securities ownership in Indonesia has been in two forms: physical (scripted), which is recorded by the Share Registrar (*Biro Administrasi Efek* or “**BAE**”), and electronic (scripless), which is managed electronically by the Indonesia Central Securities Depository (*Kustodian Sentral Efek Indonesia* or “**KSEI**”). This results in decentralized recording and creates potential discrepancies between the 2 (two) records and reflects gaps in the safeguards which supposed to ensure the data integrity.

The dematerialization process will impact unclaimed assets; particularly script securities in custodial account but have never been claimed by its owners. For a long time, custodians often face challenges from unpaid safekeeping fees and undisbursed dividend payments related to such dormant accounts.

In light of the foregoing, POJK 9/2025 aimed to mandate the conversion of all scripted securities to scripless form, establish a centralized, electronic ownership recording system, and introduces a legal framework to identify, classify, and manage unclaimed assets in Indonesian capital market.

### Key Provisions

New rules and/or key changes introduced under POJK 9/2025 are as follows:

- **Mandatory Dematerialization of Securities**

All public companies are now required to issue equity and debt securities in scripless form, including multiple voting shares. As for existing scripted securities, the BAE or public companies that conduct their own securities administration, and the relevant securities holder must convert any scripted securities into scripless form within 5 (five) years from 6 May 2025 being the effective date of POJK 9/2025 (“**Deadline**”). The POJK 9/2025 also outlines detailed procedures for dematerialization, including responsibilities of scripted securities holders, BAE and public companies.

Following the dematerialization, securities must be recorded in the collective custody, managed by KSEI or in the custodian accounts, managed by custodian banks or securities company.

- **Communication & Disclosure Obligations**

BAE or public companies that conduct their own securities administration must (i) announce the dematerialization process and at least twice each year until the Deadline, and (ii) submit progress reports to OJK periodically every 6 (six) months, with reporting dates of June 30 and December 31.



Announcements must be made in both Bahasa Indonesia and English, and published through at least: the public company website, IDX website, OJK's online platform, and registered mail to shareholders.

- **Restrictions on Physical Share Transactions**

Upon Deadline, any transactions involving scripted securities will be prohibited, including transfer on exchange or off-exchange. Exceptions are made for specific cases such as transfers arising from inheritance, gifts, or court-ordered actions.

- **Legal Framework for Unclaimed Assets**

POJK 9/2025 further introduces the legal mechanisms for identifying and managing unclaimed capital market assets. Unclaimed assets include:

- (a) Scripted securities not converted into scripless form after the Deadline

The scripted securities owner can still claim ownership of unconverted securities within 5 (five) years after the Deadline. If no ownership claim is submitted within that period, BAE or the public company that administers its own securities must record these securities in the custodian accounts and submit a formal request to OJK to treat such securities as unclaimed assets.

- (b) Custodian accounts with no activity or funds for over 5 (five) years

Custodian must identify accounts with no activity or funds for over 5 (five) years. Once identified, custodian shall send ownership confirmation request letters to the registered account holder at least twice a year over a 5 (five) year period following the enactment of POJK 9/2025. If the holder either denies ownership or fails to respond within that period, the custodian must apply to OJK to have such assets declared as unclaimed assets. These unclaimed assets will then be transferred to and managed by a party appointed by OJK.

- (c) Other capital market assets with unverifiable ownership

Parties engaging within the capital market sector may request OJK to designate certain assets, other than those previously described above, as unclaimed assets. The requesting party must prove that the asset is unclaimed, and that the owner cannot be identified or located by:

- (i) confirming that the legal entity registered as the asset owner has been dissolved or has ceased conducting capital market activities; and/or
    - (ii) sending a formal confirmation letter to the registered owner and receiving no response.

If OJK is satisfied with the supporting evidence, it may issue a formal determination declaring the asset as unclaimed.



In all cases, OJK is entitled to determine the party which will manage any unclaimed assets for a maximum of 30 (thirty) years upon its determination, without the right to trade or dispose of them. Claimants (including heirs) may submit ownership claims during this period. If there is no claim after this 30-year period, OJK may request a court ruling to transfer these assets to a capital market industry development fund.

- **Administrative Sanction**

POJK 9/2025 also imposes administrative sanctions on parties that fail to fulfil the aforementioned obligations, including BAE, public companies, custodians, parties declaring certain assets as unclaimed assets, and parties appointed by OJK to manage unclaimed assets. Such administrative sanctions may range from written warnings to the revocation of business licenses.

## Conclusion

POJK 9/2025 introduces a new comprehensive regulatory framework to modernize Indonesia's capital market infrastructure. By mandating the full dematerialization of equity securities and establishing a structured regime for unclaimed asset management, the regulation seeks to enhance transparency, efficiency, and investor protection.

The regulation is expected to bring positive outcomes for investors. Holders of scripted share certificates will benefit from a five-year post-deadline window to claim and convert their scripted certificate, thereby easing administrative burdens and facilitating compliance.

The introduction of clear framework for unclaimed asset management also marks a significant step toward regulatory certainty and risk mitigation. By clearly outlining the identification, notification, and transfer processes, the regulation establishes a standardized and accountable framework for handling dormant or unclaimed assets.

For all public companies, BAE, custodians are encouraged to prepare a robust governance and monitoring system, essential to meet the regulatory requirements within the prescribed deadline. Proactive compliance will be critical to ensure that unclaimed assets are managed appropriately and avoid administrative sanctions.



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