

APPENDIX

Decision of the Board of Directors

PT Kliring Penjaminan Efek Indonesia

Number : Kep-010/DIR/KPEI/1115 Date:

23-11-2015

RULE OF KPEI NUMBER: III-1

CLEARING MEMBERS OBTAINING CLEARING AND GUARANTEE SERVICES OF FUTURES CONTRACT AND OPTION TRANSACTION SETTLEMENT

I. DEFINITION

In this Rule:

1. **Clearing Member** means a Stock Exchange Member, which meets KPEI terms and conditions to obtain services for Clearing and Guarantee of Trading Transaction Settlement.
2. **Futures Contract** means an agreement requiring the parties to buy or sell an amount of Underlying at a certain price and at a particular time in the future as specified in point 1 letter b of Bapepam Regulation Number III.E.1 on Futures Contracts and Option on Securities or Securities Indexes, Appendix to Decision of Head of Bapepam-LK Number KEP-39/PM/2003 dated 31 October 2003.

3. **Option** means the right of the Parties to buy or sell Securities to another Party at a certain price and in a particular time as specified in point 1 letter e of Bapepam Regulation Number III.E.1 on Futures Contracts and Option on Securities or Securities Indexes, Appendix to Decision of Head of Bapepam-LK Number KEP-39/PM/2003 dated 31 October 2003.
4. **Security Fund** means certain funds that must be paid by a Clearing Member to KPEI to settle obligations in Futures Contract and Option Transactions.
5. **Clearing** means a process to determine rights and obligations arising from Trading Transactions as specified in Article 1 point 4 of Financial Services Authority Regulation Number 26/POJK.04/2014 on Trading Transaction Settlement Guarantee.
6. **Payment Bank** means a commercial bank under an Agreement with KPEI, appointed to settle Futures Contract and Option Transactions.
7. **Stock Exchange** means PT Bursa Efek Indonesia.
8. **KPEI** means PT Kliring Penjaminan Efek Indonesia.
9. **Trading Day** means a day on which Securities are traded on the Stock Exchange from Monday to Friday, except a national holiday or any day stipulated as a Trading holiday by the Stock Exchange.

10. **Underlying** means Securities, Securities index, a group of Securities or index of a group of Securities as the basis for contract transactions as specified in point 1 letter h of Bapepam Regulation Number III.E.1 on Futures Contracts and Option on Securities or Securities Indexes, Appendix to Decision of Chairperson of Bapepam-LK Number KEP-39/PM/2003 dated 31 October 2003.

11. **Futures Contract and Option Settlement Account** means a Clearing Member Account with a Payment Bank used to settle the rights and obligations under Futures Contract and Option Transactions.

12. **Futures Contract and Option Guarantee Account** means a Clearing Member Account with a Payment Bank used to place Collateral, deliver its payment obligation to KPEI, and receive its rights from KPEI under Futures Contract and Option Transactions.

13. **Security Fund Account** means a Clearing Member's Account with a Payment Bank used to pay Security Fund.

14. **Futures Contract and Option Operational Account** means a Clearing Member Account with a Payment Bank used to place fund related to withdrawal of Collateral by a Clearing Member and/or Customer and withdrawal of Security Fund.

15. **Collateral** means any fund, Securities, and/or other financial instruments of a Clearing Member as a guarantee, which may be used by a Clearing and Guarantee Institution to settle Trading Transactions and/or perform its obligations as a Clearing Member of a Clearing and Guarantee Institution as specified in Article 1 point 7 of Financial Services Authority Regulation Number 26/POJK.04/2014 on Trading Transaction Settlement Guarantee.
16. **Sub-Futures Contract and Option Settlement Account** means an Account in the name of a Clearing Member Customer with a Payment Bank used to settle Futures Contract and Option Transactions of the relevant Clearing Member's Customer.
17. **Guarantee Fund** means funds and/or Securities administered and managed by a Clearing and Guarantee Institution, the funds and/or Securities of which are used to finance the Trading Transaction Settlement Guarantee by a Clearing and Guarantee Institution as specified in Article 1 point 2 of Financial Services Authority Regulation Number 26/POJK.04/2014 on Trading Transaction Settlement Guarantee.
18. **Clearing Member's Customer** means any individual or institution using the services of a Clearing Member.

II. REQUIREMENTS FOR CLEARING MEMBERS TO OBTAIN CLEARING AND GUARANTEE SERVICES FOR FUTURES CONTRACT AND OPTION TRANSACTION SETTLEMENT

To obtain services for clearing and guarantee of Futures Contract and Option Transaction Settlement, a Clearing Member must meet the following requirements:

1. submit to KPEI a copy of Futures Contract and Option Trading Approval issued by the Stock Exchange;
2. fulfil risk feasibility criteria based on KPEI evaluation, primarily in terms of credit risk;
3. have signed an Agreement on the Provision of Clearing and Guarantee Services for Futures Contract and Option Transaction Settlement;
4. have deposited Security Fund into the Security Fund Account. The amount of Security Fund will be further determined in KPEI Circular; and
5. have a system to support risk operational and control in relation to Futures Contract and Option Transactions.

III. PROCEDURE FOR CLEARING MEMBERS TO OBTAIN CLEARING AND GUARANTEE SERVICES FOR FUTURES CONTRACT AND OPTION

TRANSACTION SETTLEMENT

1. To obtain services for clearing and guarantee of Futures Contract and Option Transaction Settlement, a Clearing Member must lodge an application to KPEI by completing Form of Clearing and Guarantee Services for Futures Contract and Option Transaction Settlement.
2. Based on such Clearing Member's application set forth in point 1 above, KPEI will check the readiness of such Clearing Member's operation and risk control system within no later than 10 (ten) Trading Days.
3. Based on such examination set forth in point 2, the following conditions apply:
 - a. if a Clearing Member meets the requirements to obtain services for clearing and guarantee of Futures Contract and Option Transaction Settlement, KPEI will submit an approval confirmation letter to the Clearing Member and oblige such Clearing Member to execute an Agreement on Provision of Clearing and Guarantee Services for Futures Contract and Option Transaction Settlement; or
 - b. if a Clearing Member fails to meet the requirements to obtain services for clearing and guarantee of Futures Contract and Option Transaction Settlement, KPEI will submit a notice of such rejection to the Clearing Member and the rejection reasons.

4. KPEI will open Futures Contract and Option Settlement Account, Futures Contract and Option Guarantee Account, Security Fund Account with a Payment Bank for the interest of a Clearing Member which has obtained an approval confirmation letter as set forth in point 3 letter a above.
5. If KPEI has informed to a Clearing Member on the account opening set forth in point 4 above, the Clearing Member must do the following actions:
 - a. deposit Security Fund to the account and send the deposit slip to KPEI;
and
 - b. open Futures Contract and Option Operational Account with a Payment Bank and inform it to KPEI.
6. A Clearing Member, which has met the obligation set forth in point 3 letter a and point 5 above and has submitted a copy of Futures Contract and Option Trading Approval, then within no later than 2 (two) Trading Days upon such fulfillment, KPEI will issue an Approval for Clearing and Guarantee Services for Futures Contract and Option Transaction Settlement.
7. A Clearing Member, which fails to meet the requirements to obtain Clearing and Guarantee Services for Futures Contract and Option Transaction Settlement, may lodge another application to obtain such

Clearing and Guarantee Services for Futures Contract and Option Transaction Settlement.

IV. RIGHTS AND OBLIGATIONS OF CLEARING MEMBERS FOR CLEARING AND GUARANTEE SERVICES FOR FUTURES CONTRACT AND OPTION TRANSACTION SETTLEMENT

The rights and obligations of Clearing Members in relation to Clearing and Guarantee Services for Futures Contract and Option Transaction Settlement are:

1. may use the facilities provided by KPEI for the interest of a Clearing Member under Rule of KPEI;
2. may obtain reports and information provided by KPEI in relation to Clearing and Guarantee Services for Futures Contract and Option Transaction Settlement;
3. must open Sub-Futures Contract and Option Guarantee Account to settle Futures Contract and Option Transactions of a Clearing Member's Customer with a Payment Bank used by a Clearing Member; and
4. must pay the fee for the clearing and guarantee services for Futures Contract and Option Transactions and Guarantee Fund contribution and must meet the obligations arising from each Futures Contract and Option

Transaction made for the account of the Clearing Member and its Customer.

V. REVOCATION OF APPROVAL FOR CLEARING AND GUARANTEE SERVICES FOR FUTURES CONTRACT AND OPTION TRANSACTION SETTLEMENT

1. Revocation of Approval for Clearing and Guarantee Services for Futures Contract and Option Transaction Settlement is made because the Stock Exchange revokes a Futures Contract and Option Trading Approval of the relevant Clearing Member.

2. If the Approval for the Clearing and Guarantee Services for Futures Contract and Option Transaction Settlement of a Clearing Member is revoked:
 - a. KPEI will announce such revocation through KPEI Announcement;

 - b. KPEI will deactivate all facilities related to Clearing and Guarantee Services for Futures Contract and Option Transaction Settlement;

 - c. revocation of Approval for Clearing and Guarantee Services for Futures Contract and Option Transaction Settlement will not prejudice the Clearing Member's responsibility to settle all of its obligations to other Clearing Members, KPEI and or other parties under the applicable conditions; and

- d. If, after revocation of Approval for Clearing and Guarantee Services for Futures Contract and Option Transaction Settlement, there are still any obligations that remain unsettled by a Clearing Member, KPEI may suspend the rights of the Clearing Member or apply its assets that may be held by KPEI to settle such obligations.

Issued in Jakarta, on 23-11-2015

Hasan Fawzi

President

Director

Sunandar

Director