

ENGLISH TRANSLATION

ATTACHMENT to

The Decision of the Board of
Directors

PT Kliring Penjaminan Efek
Indonesia

Number : Kep-
008/DIR/KPEI/0318

Dated : 14 March 2018

REGULATION NUMBER: VIII

SANCTION FOR CLEARING MEMBER

I DEFINITION

I.1 **Clearing Member** shall be a Securities Exchange Member or other party who meets the requirement for acquiring Securities Exchange Transaction Settlement Clearing and Guarantee services according to Clearing Guarantee Institution Regulation, as referred to in Article 1 Number 6 of Otoritas Jasa Keuangan Regulation Number



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26/POJK.04/2014 Regarding Securities
Exchange Transaction Settlement Guarantee.

- I.2 **Securities Lending and Borrowing Member** shall be Clearing Member which has executed a securities lending and borrowing agreement with KPEI.
- I.3 Stock **Exchange** shall be PT Bursa Efek Indonesia.
- I.4 **Exchange Day** shall be a day when securities trading takes place at the Exchange namely Monday to Friday, except the national holiday or declared as the Exchange holiday by the Exchange.
- I.5 **KPEI** shall be PT Kliring Penjaminan Efek Indonesia.
- I.6 **Securities Exchange Transaction** shall be contract entered into by Member(s) of a Stock Exchange in accordance with Stock



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Exchange rules regarding sale-purchase of Securities, Securities lending and borrowing, or any other contract regarding Securities or Securities price as provided in Article 1 Number 9 of *Otoritas Jasa Keuangan* Regulation Number 26/POJK.04/2014 Regarding Securities Exchange Transaction Settlement Guarantee

II TYPE OF SANCTION

II.1 KPEI may impose administration sanction to Clearing Member as follows:

II.1.1. Written warning;

II.1.2. Written reminder;

II.1.3. Fine maximum of IDR500,000,000
(five hundred million Rupiah);

II.1.4. Administration fee;



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II.1.5. Temporary prohibition from conducting Securities Exchange Transaction settlement clearing and guarantee activity (suspension);

II.1.6. Revocation of approval for providing Securities Exchange Transaction settlement clearing and guarantee services;

II.1.7. Revocation of approval as Clearing Member and/or Securities Lending and Borrowing Member.

II.2 The sanctions as referred to in number II.1 may be imposed in stages or directly without any stages and the imposition of such sanction shall only constitute as an indication regarding the types which are provided in this Regulation, and may be individually or collectively imposed with the imposition of any other sanctions in accordance with the KPEI's internal guidelines.



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II.3 The imposition of sanction for securities lending and borrowing transaction shall be further provided in KPEI Regulation Number II-10 regarding Securities Lending and Borrowing and in accordance with the KPEI internal guidelines.

III. SANCTION IMPOSITION

III.1. Sanction shall be imposed upon any Clearing Member who commits any breach of KPEI Regulation.

III.2. Sanction imposition upon any Clearing Member shall be reported to *Otoritas Jasa Keuangan*.

III.3. Sanction imposition shall be effective since the stipulation date of the sanction stipulation letter issued by KPEI.



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III.4. For the sanction as set out in provision II.1.3 above, the following provisions shall apply:

III.4.1 The fine payment must be made in accordance with the date as set out in the sanction stipulation letter;

III.4.2 If within the time limit as provided in number III.4.1 above, the Clearing Member do not perform his/her obligation then KPEI may impose late interest in the amount of 1% (one percent) per calendar day form the fine value imposed, or may give any other sanction, or combination of fine sanction with any other sanction.

III.5. For the sanction as set out in provision of II.1.5 above, the administration fee sanction imposition shall also apply provided the following provision:



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III.5.1 In the event the Clearing Member is in a payment failure as provided in KPEI Regulation Number II-5 regarding Clearing and Guarantee of Exchange Transaction Settlement on Equity Securities, the Clearing Member shall be imposed with sanction in the form of administration fee of 0.25% (zero point twenty five percent) of the failing value (debit balance) for each calendar days until the fulfilment of such payment failure with the maximum imposition of administration fee for 30 (thirty) calendar days.

III.5.2 The collection of administration fee shall be made together in the clearing result list for the succeeding Exchange Day and must be fulfilled by the relevant Clearing Member in accordance with such clearing result list.



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III.6. The suspension sanction imposed to any Clearing Member shall not cause any loss to Securities Exchange Transaction settlement obligation in accordance with the prevailing Regulation.

III.7. The imposition of approval revocation as a Clearing Member and/or Securities Lending and Borrowing Member shall be conducted by KPEI due to any breach of any KPEI regulation or the existence of revocation of Exchange Member Approval Letter owned by Clearing Member by the Exchange.

III.8. The revocation of Stock Exchange Membership and Clearing Member and/or Securities Lending and Borrowing Member approval shall not prejudice any responsibility of Clearing Member to settle all his/her obligations against KPEI.

III.9. If after the revocation of such approval, the obligation of the Clearing Member still



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exists, based on this Regulation, KPEI shall be entitled to sell any of Clearing Member financial resources as referred to in the *Otoritas Jasa Keuangan* Regulation Number 26/POJK.04/2014 Regarding Securities Exchange Transaction Settlement Guarantee.

IV. OBJECTION SUBMISSION AGAINST KPEI SANCTION IMPOSITION

IV.1. Against the sanction stipulated by KPEI, the Clearing Member shall be entitled to submit any objection to KPEI or directly to the *Otoritas Jasa Keuangan* in accordance with the prevailing *Otoritas Jasa Keuangan* Regulation.

IV.2. The submission of objection to KPEI as referred to in number IV.1 above, shall be submitted to KPEI at the latest 5 (five) Exchange Days since the receipt of the sanction stipulation letter by the Clearing Member.



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IV.3. The submission of objection to KPEI shall be made in writing in Bahasa Indonesia and shall at least contain:

IV.3.1. Reason for objection submitted;

IV.3.2. Those matter desired by the related Clearing Member;

IV.3.3. Supporting data and/or document.

IV.4. The submission of objection by the Clearing Member as referred to in number IV.1 above, shall not cause any delay to the obligation of the Clearing Member for the fulfilment of the sanction which has been stipulated.

IV.5. In case the Clearing Member submits any objection:

IV.5.1. If KPEI accepts such objection submission, KPEI shall amend or revoke the sanction imposed to the related Clearing Member;



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IV.5.2. If KPEI rejects the objection submission submitted by such Clearing Member, the Clearing Member may submit objection to the *Otoritas Jasa Keuangan* with a carbon copied to KPEI.

IV.6. If *Otoritas Jasa Keuangan* accepts a part or the entire objection submitted by the Clearing Member:

IV.6.1. KPEI shall issue and deliver a amendment to the sanction stipulation letter regarding the adjustment or deletion of the sanction imposition to the Clearing Member.

IV.6.2. All actions taken by KPEI in respect of the imposition of sanction to the Clearing Member, shall remain valid and binding since such imposition of sanction



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by KPEI untuk the date of stipulation of the decision of the Otoritas Jasa Keuangan.

IV.7. In relation to the sanction of fine payment and/or administration fee, if *Otoritas Jasa Keuangan* accepts a part or the entire objection submitted by the Clearing Member, KPEI must return the fine payment and/or administration fee to the Clearing Member in accordance with the amount received by KPEI.

IV.8. If the objection for the imposition of sanction by KPEI is rejected by *Otoritas Jasa Keuangan* by confirming the KPEI decision, the sanction shall remain implemented.

V. SANCTION ANNOUNCEMENT

V.1. KPEI mau announce the sanction imposed upon the Clearing Member through media to be known by public.



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V.2. In case there is an amendment to the sanction based on the *Otoritas Jasa Keuangan* decision result related to the objection submission of the Clearing Member, KPEI may announce the amendment to such sanction.

Stipulated in Jakarta, dated 14-03-2018

[signed]

[signed]

Hasan Fawzi

Sunandar

President Director

Director

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Jakarta, 1 November 2019
Translated by:

