

**DECISION OF THE BOARD OF DIRECTORS OF
PT KLIRING PENJAMINAN EFEK INDONESIA**

Number : Kep-017/DIR/KPEI/0320

Subject Matter : KPEI Regulation Number II-3
regarding Clearing Member

Issuance Date : 31 March 2020

Effective Date : 31 March 2020

Reference : Otoritas Jasa Keuangan Letter
Number: S-290/PM.21/2020 dated 18
March 2020, subject matter:
Approval on the Regulation Draft of
PT KPEI Number II-3 regarding
Clearing Member

Considering : 1. That with respect to the issuance
of the Otoritas Jasa Keuangan
Regulation Number 18/POJK.04/2019

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Regarding Regional Securities Company, it is necessary to make an adjustment to KPEI Regulation Number II-3 Regarding Clearing Member.

2. That based on consideration as mentioned in number 1 above, it is deemed necessary to issue the Amendment to KPEI Regulation Number II-3 Regarding Clearing Member.

3. That the drafting of the Regulation as referred to in number 2 above needs to be stipulated by Decision of the Board of Directors.

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- Taking into account : 1. Law Number 8 of 1995 regarding Capital Market (the State Gazette of the Republic of Indonesia Number 64 of 1995, Supplement to the State Gazette of the Republic of Indonesia Number 3608 of 1995).
2. Government Regulation Number 45 of 1995 regarding Implementation of the Capital Market Activities (the State Gazette of the Republic of Indonesia Number 86 of 1995, Supplement to the State Gazette of the Republic of Indonesia Number 3617 of 1995).
3. Decision of the Chairman of Bapepam Number Kep-26/PM/1998 regarding The Granting of Business Licenses as Clearing and Guarantee Institution to PT Kliring Penjaminan Efek Indonesia

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4. Articles of Association of PT Kliring Penjaminan Efek Indonesia
5. Decision of the Board of Directors of PT Kliring Penjaminan Efek Indonesia Number Kep-030/DIR/KPEI/0219 dated 07 February 2019 subject matter: KPEI Regulation Number II-3 regarding Clearing Member.

HAS DECIDED

To stipulate: 1. KPEI Regulation Number II-3 regarding Clearing Member.

2. With respect to the application of this Decision, therefore KPEI Regulation Number II-3 regarding Clearing Member, the Attachment to the Decision of the Board of Directors of PT Kliring Penjaminan

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Efek Indonesia Number Kep-
030/DIR/KPEI/0219 dated 07
February 2019 subject matter: KPEI
Regulation Number II-3 regarding
Clearing Member, is declared no
longer effective.

3. This regulation shall apply to
Clearing Member conducting
Securities Exchange Transaction on
Equity Securities;

4. This Decision is effective on the
date it is issued provided that all
and everything shall be amended
and corrected accordingly if in
the future it turns out that it
needs perfection or there is a
mistake in this stipulation

Stipulated in : Jakarta

On : 31 March 2020

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[*signed*]

[*signed*]

Sunandar

Umi Kulsum

President Director

Director

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ATTACHMENT to

Decision of the Board of Directors of
PT Kliring Penjaminan Efek Indonesia
Number: Kep-017/DIR/KPEI/0320
Dated: 31 March 2020

REGULATION NUMBER II-3 REGARDING CLEARING MEMBER

I. DEFINITION

In this Regulation, what is meant by:

I.1. **Collateral** shall be fund, Securities, and/or other financial instruments owned by a Clearing Member as guarantee which can be used by Clearing and Guarantee Institution to settle Securities Exchange Transaction and/or to settle the obligation of Clearing Member to Clearing and Guarantee Institution as provided for in Article 1 Number 7 of the Otoritas Jasa Keuangan Regulation Number 26/POJK.04/2014 Regarding Securities Exchange Transaction Settlement Guarantee.

[initials]
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I.2. **Clearing Member** shall be any Stock Exchange Member or any other party, which meets the requirement to obtain Securities Exchange Transaction Settlement Clearing and Guarantee services based on Clearing and Guarantee Institution Regulation as provided for in Article 1 Number 6 of the Otoritas Jasa Keuangan Regulation Number 26/POJK.04/2014 regarding Securities Exchange Transaction Settlement Guarantee.

I.3. **Individual Clearing Member** shall be any Stock Exchange Member who meets the requirements in order to obtain Securities Exchange Transaction Settlement Clearing and Guarantee services.

I.4. **General Clearing Member** shall be any Securities Company, Custodian Bank or other party who has obtained approval from Otoritas Jasa Keuangan and meet the requirements in order to obtain Securities

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Exchange Transaction Settlement Clearing and Guarantee services.

I.5. **Stock Exchange Member** shall be any Securities Company which has obtained business licenses from Otoritas Jasa Keuangan as a Securities Broker as referred to in Article 1 number 2 of Law Number 8 Year 1995 regarding Capital Market (*UUPM*).

I.6. **Custodian Bank** shall be any commercial bank which obtains the approval of Otoritas Jasa Keuangan in order to carry out business activities as a Custodian as referred to in the provision of Article 1 number 14 of the Otoritas Jasa Keuangan Regulation Number 22/POJK.04/2019 regarding Securities Transaction.

I.7. **Payment Bank** shall be Bank Indonesia and/or any commercial bank that is appointed by KSEI to hold funds recorded in Securities Account, for the purpose of Securities Transaction settlement with KSEI and/or any

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other purpose related to the use of KSEI services as referred to in number 1.5 of PT Kustodian Sentral Efek Indonesia Regulation Number I-D regarding Fund Account.

I.8. **Stock Exchange** shall be PT Bursa Efek Indonesia.

I.9. **Guarantee Fund** shall be the pooling of fund and/or any Securities which is administrated and managed by Clearing and Guarantee Institution which is utilized to conduct Securities Exchange Transaction Settlement Guarantee by Clearing and Guarantee Institution, as provided in Article 1 Number 2 of the Otoritas Jasa Keuangan Regulation Number 26/POJK.04/2014 Regarding Securities Exchange Transaction Settlement Guarantee.

I.10. **Cash Minimum Fund** shall be any security owned by Clearing Member in the form of fund as a requirement to be a Clearing Member.

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I.11. **Exchange Day** shall be the day where the trading of Securities in the Stock Exchange is held namely monday until friday, except such day is a national holiday or declared as an exchange holiday by Stock Exchange.

I.12. **Credit Ring** shall be Clearing Member either individually or collectively who is/are required to settle the obligation of Clearing and Guarantee Institution in relation to Securities Exchange Transaction Settlement Guarantee as provided in Article 1 number 12 of the Otoritas Jasa Keuangan Regulation Number 26/POJK.04/2014 Regarding Securities Exchange Transaction Settlement Guarantee.

I.13. **KPEI** shall be PT Kliring Penjaminan Efek Indonesia.

I.14. **KSEI** shall be PT Kustodian Sentral Efek Indonesia.

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- I.15. **Clearing** shall be a process of the determination of rights and obligations arising from Securities Exchange Transaction as provided in Article 1 Number 4 of the Otoritas Jasa Keuangan Regulation Number 26/POJK.04/2014 Regarding Securities Exchange Transaction Settlement Guarantee.
- I.16. **Client** shall be the client of Clearing Member.
- I.17. **Client of Individual Clearing Member** is an individual and/or institution.
- I.18. **Client of General Clearing Member** shall be Stock Exchange Member, an individual and/or institution.
- I.19. **Securities Exchange Transaction Settlement Guarantee** shall be the obligation of Clearing and Guarantee Institution to immediately and directly take over the responsibility of a Clearing Member who/which fails to fulfill its obligation

related to Securities Exchange Transaction settlement and to settle the said transaction at the same time and in the same method as required to the concerned Clearing Member, as provided in Article 1 Number 1 of the Otoritas Jasa Keuangan Regulation Number 26/POJK.04/2014 Regarding Securities Exchange Transaction Settlement Guarantee.

I.20. **Agreement of Granting of Securities Exchange Transaction Settlement Clearing and Guarantee Services** shall be an agreement between Clearing Member and KPEI as provider of Securities Exchange Transaction Settlement Clearing and Guarantee services.

I.21. **Agreement of Securities Lending and Borrowing** shall be an agreement of securities lending and borrowing between Clearing Member and KPEI in relation to the implementation of securities lending and borrowing as provided in KPEI Regulation Number II-10 Regarding Securities Lending and Borrowing Services.

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- I.22. **Exchange Share** shall be a share issued by PT Bursa Efek Indonesia.
- I.23. **Clearing Member Approval Confirmation Letter** shall be a letter issued by KPEI to Individual Clearing Member candidate or General Clearing Member candidate which application form and completeness of document have been declared complete and have meet the requirement stipulated by KPEI.
- I.24. **Clearing Member Approval** shall be an approval to be a Clearing Member granted by KPEI through the issuance of Clearing Member Approval Letter (*SPAK*).
- I.25 **Regional Securities Company** hereinafter abbreviated as **PED** shall be Securities Company which conduct business activities as Securities Broker administering client securities account and particularly established in a regional of the province as

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provided in Article 1 Number 4 of the Otoritas Jasa Keuangan Regulation Number 18/POJK.04/2019 Regarding Regional Securities Company

II. TYPES AND RESPONSIBILITY OF CLEARING MEMBER

II.1. Clearing Member consists of:

II.1.1 Individual Clearing Member; and

II.1.2 General Clearing Member.

II.2. Clearing Member shall be responsible for the settlement of Securities Exchange Transaction either for its/his/her own interest or its/his/her Client's interest.

III. REQUIREMENTS AND PROCEDURES TO BE AN INDIVIDUAL CLEARING MEMBER

III.1. Requirements that must be fulfilled to be an Individual Clearing Member shall be as follows:

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III.1.1. having an Stock Exchange Member Approval Letter (SPAB) as Stock Exchange Member and it is still valid;

III.1.2. having a system to support operational and risk control related to Securities Exchange Transaction Settlement and Clearing in accordance with the requirements stipulated by KPEI and connected with KSEI system;

III.1.3. Having risk management policy and procedure to ensure that Individual Clearing Member can handle risk and conduct operational function that run at all times;

III.1.4. delivering Exchange Share owned by Individual Clearing Member to KPEI in accordance with Government

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Regulation Number 45 of 1995 regarding Implementation of the Capital Market Activities;

III.1.5. delivering initial dues/contribution of Guarantee Fund in the amount of IDR 5,000,000,000 (five billion Rupiah);

III.1.6. delivering Cash Minimum Fund as provided in KPEI Regulation Number II-12 regarding Collateral Placement for Securities Exchange Transaction on Equity Securities and Investment Product Participation Unit in the Form of Collective Investment Contract and Securities Lending and Borrowing;

III.1.7. signing Agreement of Granting of Securities Exchange Transaction Settlement Clearing and Guarantee Services and Agreement of

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Securities Lending and Borrowing;
and

III.1.8. fulfilling criteria of risk
feasibility based on KPEI
assessment, specifically in credit
risk.

III.2. For the purpose of the fulfilment of the
requirement in order to obtain licenses and
to conduct activities as an Individual
Clearing Member, Individual Clearing Member
candidate must first follow the following
procedures:

III.2.1. to submit a written application by
using the form which format and
content shall be in accordance
with the form as attached to this
Regulation;

III.2.2. to complete the form as referred to
in the provision of number III.2.1.
with documents as follows:

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III.2.2.1. a statement letter stating the willingness to fulfill all requirements to be an Individual Clearing Member by using the form which format and content shall be in accordance with the form as attached to this Regulation;

III.2.2.2. a copy of Stock Exchange Member Approval Letter (SPAB) from Stock Exchange;

III.2.2.3. a copy of the Deed of Establishment and the Articles of Association of the company together with its amendments that have obtained

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ratification or
acceptance by the
Minister of Law and
Human Rights;

III.2.2.4. a copy of Taxpayer
Identification Number
(*NPWP*) of the company,
specimen of company
stamp, signature
specimen of all members
of the Board of
Directors, members of
the Board of
Commissioners and/or the
officer who is
authorized to represent
the company in
accordance with the
Articles of Association
and its amendment;

III.2.2.5. a copy of Resident
Identity Card (KTP) or

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passport of all members of the Board of Directors, members of the Board of Commissioners and/or the officer who is authorized to represent the company in accordance with the Articles of Association and its amendment;

III.2.2.6. the latest financial statement that has been audited by a public accountant;

III.2.2.7. a statement letter of willingness to be a member of the Credit Ring which format and content shall be in accordance with the form

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as attached to this
Regulation;

III.2.2.8. a statement letter as a
user of e-CLEARs.

III.3. Based on the application for the said Individual Clearing Member candidate, KPEI shall conduct examination on the completeness and/or suitability of the documents as referred to in the provisions of number III.2.1. and number III.2.2. within a period of no later than 5 (five) Exchange Days after the said documents have been received in complete by KPEI;

III.4. In the event of any incompleteness and/or non-suitability with the requirements and/or the completeness of the documents as referred to in the provisions of number III.2.1. and number III.2.2., KPEI shall deliver a notification to the concerned Individual Clearing Member candidate to complete and/or adjust the required

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documents within a period of no later than 3 (three) Exchange Days since the notification is submitted;

III.5. In the event that the required documents have been declared complete and suitable, KPEI shall conduct a review upon the said required requirement and document forms as well as examination on the readiness of the operational system and risk control of the said Individual Clearing Member candidate within a period of no later than (10) ten Exchange Days after the application form and its completeness documents are declared complete and suitable.

III.6. Based on the review and examination as referred to in the provision of number III.5., then the following provisions shall apply:

III.6.1. in the event that the said Individual Clearing Member candidate has met the requirements

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as an Individual Clearing Member, KPEI shall submit Individual Clearing Member Approval Confirmation Letter to the concerned Individual Clearing Member candidate within a period of no later than 3 (three) Exchange Days since the review and examination as referred to in the provision of number III.5. is completed; or

III.6.2. in the event that the said Individual Clearing Member candidate does not meet the requirements as an Individual Clearing Member, KPEI shall submit a notification letter containing rejection to the concerned Individual Clearing Member candidate together with the reason therefor within a period of no later than 3 (three) Exchange Days since the review as well as

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examination as referred to in the provision of number III.5 is completed.

III.7. Individual Clearing Member candidate who has obtained Individual Clearing Member Approval Confirmation Letter as referred to in the provision of number III.6.1., must:

III.7.1. sign an Agreement of Granting of Securities Exchange Transaction Settlement Clearing and Guarantee Services and Agreement of Securities Lending and Borrowing which format and content shall be in accordance with the attachment to this Regulation and must deliver Exchange Share, within a period of no later than 3 (three) Exchange Days after the submission date of Clearing Member Approval Confirmation Letter by KPEI; and

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III.7.2. deposit Cash Minimum Fund and initial dues/contribution of Guarantee Fund and must submit each copy of the deposit evidence to KPEI within a period of no later than 3 (three) Exchange Days after the date of the signing of the above agreement.

III.8. In the event that Individual Clearing Member candidate who has met the obligation as referred to in the above provision of number III.7., no later than 3 (three) Exchange Days after the fulfillment of the said obligation, KPEI shall issue an Individual Clearing Member Approval Letter (*SPAK*).

III.9. Individual Clearing Member candidate who does not meet the requirements to be an Individual Clearing Member, can re-apply the application to be an Individual Clearing Member by applying a new application form and have completed and/or adjusted all

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required documents in accordance with this Regulation.

IV. REQUIREMENTS AND PROCEDURES TO BE A GENERAL CLEARING MEMBER

IV.1. Requirements that must be fulfilled to be a General Clearing Member shall be as follows:

IV.1.1. specifically for Securities Companies, it must have business licenses as a Securities Broker or a Securities Underwriter from Otoritas Jasa Keuangan;

IV.1.2. specifically for Custodian Bank, it must have approval as a Custodian Bank from Otoritas Jasa Keuangan;

IV.1.3. having a system to support operational and risk control related to Securities Exchange Transaction Settlement and

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Clearing in accordance with the requirements stipulated by KPEI and it is connected with KSEI system;

IV.1.4. Having risk management policy and procedure to ensure that General Clearing Member can handle risk and conduct operational function that run at all times;

IV.1.5. delivering initial dues/contribution of Guarantee Fund in the amount of IDR 5,000,000,000 (five billion Rupiah);

IV.1.6. delivering Cash Minimum Fund as provided in KPEI Regulation Number II-12 Regarding Collateral Placement for Securities Exchange Transaction on Equity Securities and Investment Product Participation Unit in the Form of

Collective Investment Contract and
Securities Lending and Borrowing;

IV.1.7. signing Agreement of Granting of
Securities Exchange Transaction
Settlement Clearing and Guarantee
Services and Agreement of
Securities Lending and Borrowing
and

IV.1.8. fulfilling criteria of risk
feasibility based on KPEI
assessment, specifically in credit
risk.

IV.2. For the purpose of the fulfilment of the
requirements in order to obtain licenses and
to conduct activities as a General Clearing
Member, General Clearing Member candidate
must first follow the following procedures:

IV.2.1. to submit a written application by
using the form which format and
content shall be in accordance with

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the form as attached to this Regulation;

IV.2.2. to complete the form as referred to in the provision of number IV.2.1. with documents as follows:

IV.2.2.1. a statement letter stating the willingness to fulfill all requirements to be a General Clearing Member by using the form which format and content shall be in accordance with the form as attached to this Regulation;

IV.2.2.2. a copy of business license or approval from Otoritas Jasa Keuangan;

IV.2.2.3. a copy of the Deed of Establishment and the Articles of Association of

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the company together with its amendments that has obtained ratification or acceptance by the Minister of Law and Human Rights;

IV.2.2.4. a copy of Taxpayer Identification Number (NPWP) of the company, specimen of company stamp, signature specimen of all members of the Board of Directors, members of the Board of Commissioners and/or the signature of the officer who is authorized to represent the company in accordance with the Articles of Association and its amendment;

IV.2.2.5. a copy of Resident Identity Card (KTP) or

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passport of all members of the Board of Directors, members of the Board of Commissioners and/or the officer who is authorized to represent the company in accordance with the Articles of Association and its amendment;

IV.2.2.6. the latest financial statement that has been audited by a public accountant;

IV.2.2.7. a statement letter of willingness to be a member of the Credit Ring which format and content shall be in accordance with the form as attached to this Regulation;

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IV.2.2.8. a statement letter as a
user of e-CLEARs.

IV.3 Based on the application of the said General Clearing Member candidate, KPEI shall conduct examination on the completeness and/or suitability of the documents as referred to in the provisions of number IV.2.1. and number IV.2.2. within a period of no later than 5 (five) Exchange Days after the said documents have been received in complete by KPEI;

IV.4. In the event of any incompleteness and/or non-suitability to the requirement form and/or the completeness of the documents as referred to in the provisions of number IV.2.1. and number IV.2.2., KPEI shall submit a notification to the concerned General Clearing Member candidate to complete and/or adjust the required documents within a period of no later than 3 (three) Exchange Days since the notification is submitted;

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IV.5. In the event that the required documents have been declared complete and suitable, KPEI shall conduct a review of the said required requirements and documents forms as well as examination on the readiness of the operational system and risk control of the said General Clearing Member candidate within a period of no later than (10) ten Exchange Days since the application form and its completeness documents are declared complete and suitable.

IV.6. Based on the review and examination of the documents as referred to in the provision of number IV.5., the following provisions shall apply:

IV.6.1. in the event that the said General Clearing Member candidate has fulfilled the requirements as a General Clearing Member, KPEI shall submit General Clearing Member Approval Confirmation Letter to the

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concerned General Clearing Member candidate within a period of no later than 3 (three) Exchange Days since the review as well as examination as referred to in the provision of number IV.5. is completed; or

IV.6.2. in the event that the said General Clearing Member candidate does not meet the requirement as a General Clearing Member, KPEI shall submit a notification letter containing rejection to the concerned General Clearing Member candidate together with the reason therefor within a period of no later than 3 (three) Exchange Days since the review as well as examination as referred to in the provision of number IV.5. is completed.

IV.7. General Clearing Member candidate who has obtained General Clearing Member Approval

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Confirmation Letter as referred to in the provision of number IV.6.1., must:

IV.7.1. sign Agreement of Granting of Securities Exchange Transaction Settlement Clearing and Guarantee Services and Agreement of Securities Lending and Borrowing which format and content shall be in accordance with the attachment to this Regulation within a period of no later than 3 (three) Exchange Days after the submission date of the Approval Confirmation Letter by KPEI; and

IV.7.2. deposit Cash Minimum Fund and initial dues/contribution of Guarantee Fund and submit each copy of the deposit evidence to KPEI within a period of no later than 3 (three) Exchange Days after the date of the signing of the above agreement.

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IV.8. In the event that General Clearing Member candidate who has fulfilled the obligation as referred to in the above provision of number IV.7., then within a period of later than 3 (three) Exchange Days since the fulfillment of the said obligation, KPEI shall issue General Clearing Member Approval Letter (*SPAK*).

IV.9. General Clearing Member candidate who does not fulfill the requirement to be a General Clearing Member, can re-apply the application to be a General Clearing Member by applying a new application form and have completed and/or adjusted all required documents in accordance with this Regulation.

V. RIGHTS AND OBLIGATIONS OF INDIVIDUAL AND GENERAL CLEARING MEMBER

V.1. Each Clearing Member shall be entitled to:

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V.1.1. obtain Securities Exchange Transaction Settlement Clearing and Guarantee services by KPEI;

V.1.2. use the facility provided by KPEI for its/his/her own interest and or its/his/her Client's interest in accordance with KPEI Regulation; and

V.1.3 obtain report and information provided by KPEI in relation to Securities Exchange Transaction Settlement Clearing and Guarantee, in accordance with its/his/her request.

V.2 Each Clearing Member has an obligation:

V.2.1. in general:

V.2.1.1. to know and be subject to and bound by KPEI Regulation;

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V.2.1.2. to provide Guarantee Fund dues/contribution in accordance with the prevailing regulations;

V.2.1.3. to open a main securities account as provided in KSEI regulation;

V.2.1.4. to open a guarantee securities sub-account as provided in KSEI regulation;

V.2.1.5. to deliver to KPEI an annual financial report (audited) and a six-month financial report (unaudited or audited) within a period of no later than the end of the 3rd (third) month after the date of the Financial Report;

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V.2.1.6. to report to KPEI within a period of no later than 5 (five) Exchange Days starting from:

V.2.1.6.1 the occurrence of change in the specific register as referred to in Article 50 paragraph (2) of Law No. 40 Year 2007 regarding Limited Liability Company;

V.2.1.6.2 the occurrence of affiliation relationship or change in the affiliation

relationship of
Members of the
Board of
Directors or
Members of the
Board of
Commissioners
of the Clearing
Member, or the
controlling
shareholder, or
controlling
shareholder of
the shareholder
of Clearing
Member if the
concerned
shareholder is a
legal entity;

V.2.1.6.3 the occurrence
of legal issues
or disputes
between

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Clearing Member
and its/his/her
Client or any
other parties;

V.2.1.6.4 the occurrence
of change
related to
Clearing
Member,
including but
not limited to:

V.2.1.6.4.1 capital
structu
re;

V.2.1.6.4.2 sharehol
der;

V.2.1.6.4.3 member
of the
Board of
Directo

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rs and
member
of the
Board of
Commiss
ioners;

V.2.1.6.4.4 organiza
tion
structu
re; and

V.2.1.6.4.5 company
name
and
addres
s.

V.2.1.7. to submit a report to
KPEI, in the event that
Clearing Member makes any
amendment to the Articles
of Association of the
company, within a period

of no later than 7 (seven) Calendar Days starting from the receipt of approval proof or receipt proof of the notification on the amendment to the Articles of Association from the competent institution in accordance with Law No. 40 Year 2007 regarding Limited Liability Company;

V.2.1.8. to maintain the condition of the company so that it can remain fulfilled the requirements as a Clearing Member, including to maintain the condition of the company so that it is always operationally feasible, and fulfills the placement of Collateral for Cash Minimum Fund in

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accordance with the amount stipulated by KPEI;

V.2.1.9. to facilitate the transfer of assets of its/his/her Client if it/he/she is in a state of failure and/or bankrupt;

V.2.1.10. to grant a substitution power of attorney for operating the securities account for the purpose of conducting the Client's securities exchange transaction settlement and clearing process, which format and content shall be in accordance with the form as included in Agreement of Granting of Securities Exchange Transaction Settlement

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Clearing and Guarantee
Services.

V.2.1.11. If a Clearing Member has
cooperation with PED, then
Clearing Member must:

V.2.1.11.1. have a
cooperati
on
contract
with PED
which
content of
the
cooperati
on
contract
shall be
at least
in
accordanc
e with
Article 45
paragraph

(2) of the
Otoritas
Jasa
Keuangan
Regulatio
n Number
18/POJK.0
4/2019
regarding
Regional
Securitie
s Company.

V.2.1.11.2. be fully
responsib
le for the
settlemen
t of
Securitie
s
Transacti
on
conducted
by PED in
accordanc

e with the
prevailin
g
provision
and
regulatio
n.

V.2.1.11.3. be fully
responsib
le for
granting
trading
limit and
risk
charge
value to
PED.

V.2.1.11.4. report to
KPEI for
each
addition,
reduction
and/or
terminati

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on of
cooperati
on with
PED.

V.2.2. Individual Clearing Member in
particular must:

V.2.2.1. be responsible to the
fulfillment of right and
obligation arising from
any Securities Exchange
Transaction performed by
its/him/her own self and
the Client of Individual
Clearing Member in
accordance with KPEI
Regulation;

V.2.2.2. remain responsible upon
settlement of Securities
Exchange Transaction

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performed by it/him/her
in the event that the
custodian function is
delivered to any other
party (outsourcing);

V.2.2.3. report in writing to KPEI,
in the event that
Individual Clearing Member
delivers the
implementation of
custodian function to any
other party (outsourcing)
as stipulated in Bapepam
and LK Regulation Number
V.D.3 regarding the
Internal Control of
Securities Company
Conducting Business
Activities As a Securities
Broker regarding the
following matters:

V.2.2.3.1. the occurrence of a problem so that the function implementation to other party cannot be duly applied, within a period of no later than the next Exchange Day after the occurrence of the problem; and

V.2.2.3.2. termination of delivery of the said function implementation to any other

party
(outsourcing,
within a
period of no
later than 7
(seven)

Exchange Days
prior to the
date of the
occurrence of
the said
termination.

V.2.2.4. receive a substitution
power of attorney of the
management of securities
account and/or securities
sub-account from the
Client of Individual
Clearing Member at the
time of the opening of an
account;

V.2.2.5. grant a substitution power of attorney to KPEI for the purpose of securities account and/or securities sub-account management of the Client of Individual Clearing Member for the purpose of Securities Exchange Transaction settlement;

V.2.2.6. fulfill and implement Bapepam and LK Regulation Number V.D.3 regarding the Internal Control of Securities Company Conducting Business Activities As a Securities Broker and the Otoritas Jasa Keuangan Regulation Number 57/POJK.04/2017 regarding the Implementation of Governance of Securities

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Company Conducting
Business Activities As a
Securities Underwriter And
a Securities Broker.

V.2.3. General Clearing Member in
particular:

V.2.3.1. which constitutes
Securities Company, it
must:

V.2.3.1.1. arrange the
Client of
General
Clearing
Member to
open and
manage the
client's
securities
sub-
account;

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V.2.3.1.2. receive a substitution power of attorney of securities account and/or securities sub-account management from the Client of General Clearing Member at the time of opening the account;

V.2.3.1.3. grant a substitution power of attorney to KPEI for the

purpose of
securities
account
and/or
securities
sub-account
management
of the
Client of
General
Clearing
Member for
the purpose
Securities
Exchange
Transaction
settlement;

V.2.3.1.4. be
responsible
for the
fulfillment
of the right
and

obligation
arising from
each
Securities
Exchange
Transaction
conducted by
its/him/her
own self and
the Client
of General
Clearing
Member, in
accordance
with KPEI
Regulation;

V.2.3.1.5. fulfill and
implement
Bapepam and
LK
Regulation
Number V.D.3
regarding

the Internal
Control of
Securities
Company
Conducting
Business
Activities
As a
Securities
Broker and
the Otoritas
Jasa
Keuangan
Regulation
Number
57/POJK.04/
2017
regarding
the
Implementat
ion of
Governance
of
Securities

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Company
Conducting
Business
Activities
As a
Securities
Underwriter
And a
Securities
Broker;

V.2.3.1.6. deliver
Exchange
Share which
is owned and
authorized
by the
Client of
General
Clearing
Member who
is a Stock
Exchange
Member to

KPEI in
accordance
with
Government
Regulation
Number 45 of
1995
regarding
Implementat
ion of the
Capital
Market
Activities;

V.2.3.1.7. submit a
report to
KPEI in the
event that
failure
experienced
by the
Client of
General
Clearing

Member
occurs on
the day of
the failure;
and

V.2.3.1.8. report
confidentia
lly to KPEI
and Otoritas
Jasa
Keuangan if
there is
indication
of breach
upon the
provision of
the laws and
regulations
committed by
the Client
of General
Clearing
Member.

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V.2.3.2. which constitutes as a Custodian Bank or any other party that has obtained approval from Otoritas Jasa Keuangan, must:

V.2.3.2.1. arrange the Client of General Clearing Member to open and manage the client's securities sub-account.

V.2.3.2.2. receive a substitution power of attorney of the securities account and/or

securities
sub-account of
management
from the
Client of
General
Clearing
Member at the
time of
opening the
account;

V.2.3.2.3. grant a
substitution
power of
attorney to
KPEI for the
purpose of
managing
securities
account and/or
securities
sub-account of
the Client of

General
Clearing
Member for the
purpose of
Securities
Exchange
Transaction
settlement;

V.2.3.2.4. be responsible
for the
fulfillment of
the right and
obligation
arising from
each
Securities
Exchange
Transaction
conducted by
the Client of
General
Clearing
Member, in

accordance
with KPEI
Regulation;

V.2.3.2.5. be responsible
to manage the
risk control
system, to
prepare
parameter and
to verify any
order for the
interest of
the Client of
General
Clearing
Member;

V.2.3.2.6. be responsible
to prepare
standard
operating
procedures
related to the

settlement of
securities
transaction;

V.2.3.2.7. carry out the
bookkeeping
function that
is to record
all
transactions
settled every
day;

V.2.3.2.8. keep the
information
regarding the
Client of
General
Clearing
Member and its
confidentiali
ty including
transaction
activity;

V.2.3.2.9. submit the
information
regarding the
Client of
General
Clearing
Member with
the approval
of the
concerned
Client of
General
Clearing
Member or upon
the request of
the Stock
Exchange
and/or any
competent
party under
the laws;

V.2.3.2.10. have
information
technology
function that
supports
securities
exchange
transaction
settlement
process;

V.2.3.2.11. have a backup
system to
handle any
system
failure;

V.2.3.2.12. have
procedure to
handle any
system
problem;

V.2.3.2.13. have
continued
supervision
procedure and
crisis
management
procedure;

V.2.3.2.14. have standard
operating
policy and
procedure to
the laws and
regulations
related to
the Client of
General
Clearing
Member;

V.2.3.2.15. ensure the
compliance of
the Client of
General

Clearing
Member with
standard
operational
policy and
procedure,
licensing,
the
implementati
on of
employee
supervision,
internal
control,
prevention
and
eradication
of criminal
act of money
laundering
and financing
of terrorism
activity and
securities

trading in
accordance
with Bapepam
and LK
Regulation
Number V.D.3
regarding the
Internal
Control of
Securities
Company
Conducting
Business
Activities As
a Securities
Broker and
the Otoritas
Jasa Keuangan
Regulation
Number
57/POJK.04/2
017 regarding
the
Implementati

on of
Governance of
Securities
Company
Conducting
Business
Activities As
a Securities
Underwriter
And a
Securities
Broker;

V.2.3.2.16. have policy
and procedure
related to
business
continuity
and disaster
recovery to
ensure that
General
Clearing
Member can

perform
operational
function in
the event
that there is
significant
internal or
external
disruption to
the
operation;

V.2.3.2.17 report
confidential
ly to KPEI
and Otoritas
Jasa Keuangan
if there is
indication of
breach upon
the provision
of the laws
and
regulations

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committed by
the Client of
General
Clearing
Member;

V.2.3.2.18. deliver
Exchange
Share which
is owned and
authorized
by the
Client of
General
Clearing
Member who
is a Stock
Exchange
Member to
KPEI in
accordance
with
Government
Regulation

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1995
regarding
Implementat
ion of the
Capital
Market
Activities;

V.2.3.2.19. submit a
report to
KPEI in the
event that
failure
experienced
by the
Client of
General
Clearing
Member
occurs on
the day of
the failure.

VI. EXAMINATION AND SUPERVISION OF CLEARING MEMBER

VI.1. Clearing Member must provide bookkeeping record and recording related to its/his/her activity as Clearing Member pursuant to the request for the purpose of examination and supervision by KPEI.

VI.2. KPEI shall conduct examination on Individual Clearing Member candidate or General Clearing Member candidate for the purpose of fulfilling the requirement for obtaining Individual Clearing Member Approval Letter (*SPAK*) or General Clearing Member Approval Letter (*SPAK*).

VI.3. KPEI can carry out examination and supervision upon Individual Clearing Member or General Clearing Member for the purpose of knowing the fulfilment of obligation and implementation of Clearing Member function compliance with KPEI Regulation and if there

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is any indication of breach of Clearing Member upon KPEI Regulation.

VI.4. Examination to Individual Clearing Member and General Clearing Member who constitute as Stock Exchange Member can be carried out collectively with the Stock Exchange.

VI.5. Upon the examination carried out as referred to in the provision of number VI.4., KPEI may, at any time, freeze the assets of Clearing Member and its/his/her Client under certain conditions in accordance with approval granted by Otoritas Jasa Keuangan.

VI.6. If pursuant to the examination, it is found that there is no fulfilment of one or more requirements to become a Clearing Member, then the Clearing Member shall be prohibited from opening a new position which creates right and obligation.

VI.7. KPEI, for the purpose of conducting supervision upon the compliance with and

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implementation of Clearing Member function as stipulated in article VI.3, may suspend or freeze the membership as a Clearing Member.

VII. REVOCATION OF THE APPROVAL OF CLEARING MEMBER

VII.1. Revocation of Clearing Member Approval may be performed due to:

VII.1.1. the request of the concerned Clearing Member;

VII.1.2. the sanction imposed by KPEI;

VII.1.3. bankrupt decision by the Court and no further legal proceeding filed by the concerned Clearing Member;

VII.1.4. the revocation of its/his/her business licenses;

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VII.1.5. the revocation of SPAB by Stock Exchange;

VII.1.6. the cancelation of the approval as a Custodian Bank;

VII.1.7. GMS or the Court decree resolving/deciding the dissolution of the company; or

VII.1.8. as a legal entity, it is no longer operating due to a business merger or business amalgamation with another company or any takeover by another company.

VII.2 The revocation of Clearing Member Approval under the request of the Clearing Member as referred to in the provision of number VII.1.1, shall be carried out with the following conditions:

VII.2.1. the application for revocation of Clearing Member Approval must be

applied no later than 20 (twenty) Exchange Days before the effective date of the revocation applied for by the concerned Clearing Member;

VII.2.2. Since the application is applied by Clearing Member, it is prohibited from opening a new position arising right and obligation;

VII.2.3. Clearing Member shall complete all of its/his/her obligation in relation to the settlement of Securities Exchange Transaction and other obligation; if any; and

VII.2.4. Clearing Member must facilitate the transfer of asset for its/his/her Client if in the event that there is failure and or bankruptcy.

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VII.3. In the event that the Clearing Member Approval of the Clearing Member is revoked by KPEI, then:

VII.3.1. KPEI shall announce in writing via printed and electronic media regarding the revocation of the approval of the concerned Clearing Member;

VII.3.2. KPEI shall deactivate all User-ID and password given to the concerned Clearing Member;

VII.3.3. KPEI shall discontinue all facilities that have been given to the concerned Clearing Member;

VII.3.4. The revocation of Clearing Member Approval by KPEI does not eliminate the responsibility of the concerned Clearing Member to complete all of its/his/her obligations to any other Clearing

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Member, KPEI, and/or any other party in accordance with the prevailing provisions;

VII.3.5. In the event that the Clearing Member fails to complete its/his/her obligations in relation to Securities Exchange Transaction settlement, KPEI shall be authorized to retain any right of the concerned Clearing Member, and or to use the assets of the Clearing Member placed with KPEI to settle the said obligation; and

VII.3.6. The Clearing Member whose Clearing Member Approval is revoked must notify all of its/his/her Clients regarding the revocation of the Clearing Member Approval.

VIII. TRANSITION PROVISIONS

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VIII.1. For Stock Exchange Member(s) who has (have) become Clearing Member prior to the effectiveness of this Regulation, it/he/she or they shall effectively become Individual Clearing Member immediately.

VIII.2. For Stock Exchange Member(s) who has (have) become Clearing Member prior to the effectiveness of this Regulation, it/he/she or they shall be excluded from the obligation to pay initial dues/contribution of Guarantee Fund as referred to in this regulation.

Stipulated in Jakarta, dated 31 March 2020

[*signed*]

Sunandar

President Director

[*signed*]

Umim Kulsum

Director

[*signed*]

Iding Pardi

Director