

**RULE NUMBER VI.A.1 : APPROVAL OF A COMMERCIAL BANK AS  
A CUSTODIAN**

Attachment :  
Decision Of The Chairman Of Bapepam  
Number : Kep- 34/PM/1996  
Date : January 17, 1996

1. An application for approval of a commercial bank as a Custodian shall be submitted to Bapepam in 4 (four) copies using Form Number VI.A.1.1 attachment 1 of this rule.
2. The application for approval as a custodian mentioned in item 1 of this rule shall be accompanied by the following documents:
  - a. the articles of association and any amendments;
  - b. the tax registration number of the company;
  - c. a business license as a commercial bank;
  - d. the latest annual financial statements, audited by an Accountant registered with Bapepam;
  - e. an operational manual on Custodian activities to be performed and a description of the physical facilities to be used;
  - f. a recommendation from Bank Indonesia which states that the bank is capable of engaging in business as a Custodian;
  - g. a statement of directors which states that:
    - 1) they are willing to comply with all Capital Market rules and regulations;
    - 2) all security devices meet the minimum requirements specified in Bapepam's rules, and
    - 3) the administration of custodial activities is conducted separately from other banking activities;
  - h. a list of names and data of directors and commissioners which includes:
    - 1) curriculum vitae;
    - 2) identification cards; and
    - 3) work permits (IKTA) for non-Indonesians
  - i. a list of responsible authorities of the Custodian, which includes:
    - 1) curriculum vitae;
    - 2) identification cards; and
    - 3) a copy of passports for non-Indonesians;
    - 4) work permits (IKTA) for non-Indonesians;
    - 5) copies of the last formal education certificate; and
    - 6) 1 (one) recent 4x6 cm photograph.
3. An operation manual which contains, at least:

- a. the organizational structure of the bank and of the Custodian section of the bank;
  - b. a list of the employees who are engaged in custodial activities including their job descriptions;
  - c. standard operating procedures for custodial activities;
  - d. the procedures for replacement of collective ownership of shares which are defective or lost;
  - e. a standard client's contract which describes at least:
    - 1) specific matters concerning the duties and obligations of the custodian, which are related to the management of dividend and interest collection services and other rights, corporate actions, transfer of ownership, delivery or receiving certificates, reporting, and other services; and
    - 2) a description of fees and taxes levied upon the services.
  - f. a list of fees for services, such as registration of shares, splitting of share certificates, combining share certificates, property deposits, transaction settlements, and other services;
  - g. the custodian's security programs such as catastrophe prevention, insurance, internal control system, and layout of the space which supports the Custodian's operational activities; and
  - h. compensation for losses caused by the Custodian's negligence.
4. In processing an application for approval of a commercial bank to act as a Custodian, Bapepam will examine the completeness and correctness of the documents, request presentations, and conduct on the spot inspections, if deemed necessary.
  5. If the application referred to item 1 of this rule does not meet the requirements, Bapepam will inform the applicant by letter stating that:
    - a. the application is incomplete, using Form Number VI.A.1-2, attachment 2 of this rule; or
    - b. the application is rejected, using Form Number VI.A.1-3, attachment 3 of this rule.
  6. If the application referred to in item 1 of this rule meets the requirements, Bapepam will send an approval letter, using Form Number VI.A.1-4, attachment 4 of this rule.

**FORM NUMBER : VI.A.1-1**

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Attachment : 1  
 Rule Number : VI.A.1

Number : .....19..

Attachment :

Subject : Application for approval of a  
 Commercial Bank to be a Custodian

To

.....

in

.....

We hereby submit our application for approval to be a Custodian. For your consideration, we submit the following data.

1. Name of Applicant : .....

2. Address of Applicant : .....

.....

(street & number).

.....-□□□□

(City & Zip code).

3. Name of Commercial Bank : .....

4. Address of Commercial Bank: .....

.....

(City & Zip code)

5. Phone, telex, fax number: .....

6. Number of the Articles of Association and the date approved by the Ministry of Justice:

.....

7. Tax Registration Number: □.□□□.□□□.□-□□□

To complete this application, we submit the following documents:

1. the articles of association of the bank and amendments approved by The Ministry of Justice;

2. the Tax Registration Number of the Company;

3. the business license as a commercial bank;

4. the latest financial statements audited by an accountant registered with Bapepam;

5. the Custodian operational manual;

6. a recommendation from Bank Indonesia indicating that the bank has the capacity to be a Custodian;

7. a statement of agreement that the directors will comply with the Capital Market regulations;

8. list of names of directors and commissioners and other data;

9. list of officers responsible for the Custodian division.

10. answers to the questions on the attachment 1 (questionnaire) of this form

Thank you for your attention.

Applicant  
 stamp duty

.....

(Full name)

**FORM NUMBER : VI.A.1-1**

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Attachment : 1  
 Rule Number : VI.A.1

**LIST OF QUESTIONS****I. INSTRUCTIONS FOR ANSWERING THE QUESTIONS**

1. All of the questions must be answered by the Applicant.
2. Put a ✓ mark in the box in front of the word “yes”, if your answer is “Yes”, or put a ✓ mark in the box in front of the word “no” if the answer is “ no “.

**II. BUSINESS MANAGEMENT**

1. Is the Custodian Administration Unit separated from other banking activities ?

yes                       no

If “yes”:

- a. To whom is the information or reports regarding custodian activities given ?
- b. Attach the security manual for safe keeping services that includes among other things regulation for the employees who work in services related with the receiving and delivering of assets for safe keeping.
- c. Attach a list of the employees and their titles which indicate that they do not work for other divisions in the Bank.
- d. Are the location for the cashier and the counter where assets for safe keeping are received and delivered adjacent to the Custodian manager division?
 

yes                       no
- e. Are the vault and safe adjacent to the custodian manager division ?
 

yes                       no
- f. Are all assets entrusted for safe keeping stored in a place that is under the direction of the administrative official of the custodian division?
 

yes                       no

2. Are all of the records relating to assets entrusted for safekeeping stored adjacent to the custodian manager division and separated from other records and documents of the bank?

yes                       no

**III. SECURITY REQUIREMENT**

1. Is there is an official or security officer that is responsible for installing, maintaining, and operating safety equipment and responsible for any safety equipment and for the development of the safety administration program?

- yes                       no
2. Is the security officer supervised by a Director of the company?
- yes                       no
3. Is the area around the vault illuminated?
- yes                       no
4. Are any doors and windows which connect directly to the safe keeping area locked by using tamper resistant equipment ?
- yes                       no
5. Is the custodian division equipped with a silent alarm that delivers a signal to a security guard outside the safe keeping area ?
- yes                       no
6. Does the bank have written security procedures to protect the Custodian Division from robbery, theft and that would assist in identifying persons engaged in such activities? Is the written program attached?
- yes                       no
7. Is there a schedule for examining, testing and maintaining all safety equipment in the custodian division?
- yes                       no
8. How is officer or guard who will be responsible for inspections, testing, and maintenance of the safety equipment chosen?
- yes                       no
9. Is there a requirement for the officer indicated in item 8 to keep a record of inspections, testing and maintenance of the safety equipment?
- yes                       no
10. Is there a limitation on the amount of money that may be retained in the custody division?
- yes                       no
11. How are payments to customers and third parties processed?
12. Is there a requirement that any payments due from a third party may be made by deducting the amount owed from the person's account at the bank?
- yes                       no
13. Is there a requirement that all money, securities and other valuables are stored in the vault or safe after office hours ?
- yes                       no
14. What are the standards of the vault or safe that are used to store money, securities and other valuables ?
15. Is there an individual or individuals that is or are responsible to assure that all security

equipment is operating properly ?

- yes                       no

16. Is there an individual or individuals appointed to perform security inspections after the office is closed to be sure that money, securities and other similar items have been stored safely and that no unauthorized persons are in the area?

- yes                       no

17. Is there a periodic training program for employees who carry out the security program?

- yes                       no

18. Is the location of the cashier designed to protect the cashier from the danger of a direct attack by firearms or other weapons?

- yes                       no

If “yes”, describe the specifications of the cashier protection.

19. Describe the specifications of the Custodian’s vault and safe.

20. Is there a duplicate copy of records regarding Custodian operations and activities, that is stored in a separate and safe place?

- yes                       no

**IV. OPERATIONAL GUIDELINES**

1. Is there a standard service contract between the Custodian and its clients?

- yes                       no

2. Describe the exact procedure for each service contained in the contract.

3. Attach the list of charges in accordance with the contract.

4. Is there a written safety program that is approved by the board of commissioners ?

- yes                       no

If “yes”, please attach.

5. Is there a program to prevent disasters that has been approved by the board of commissioners?

- yes                       no

If “yes”, please attach.

6. Attach the custodian’s organizational structure and job description for each employee, that is approved by the board of commissioners.

7. Is there a procedure for each service that is described in the standard service contract?

- yes                       no

8. Is there an internal audit procedure which includes a mechanism for counting Securities and other similar items that are held?

yes             no

If “yes”, describe how often such internal audits are performed.

9. Is there an insurance program with respect to the operations of the custodian?

yes             no

If “yes”, please attach a copy.

10. Is there an arrangement for a financial audit to be performed by a Public Accountant registered with Bapepam ?

yes             no

11. Is there is a sample form and completed report that have been submitted to Bapepam?

yes             no

12. Is there a sample form and written instructions regarding delivery of Securities or money at the order of clients or their power of attorney?

yes             no

If “yes”, please attach.

13. Is there a procedure that must be followed with regard to the loss or damage of deposited assets ?

yes             no

If “yes”, please attach.

14. Is here a procedure for dealing with client complaints regarding a loss caused by neglect or failure to follow instructions?

yes             no

If “yes”, please attach.

15. Is there any securities lending and borrowing between the custodian and its clients ?

yes             no

If “yes”, describe how the lending and borrowing activities are implemented.

....., ..... 19...  
Applicant  
stamp duty

.....  
(Full name)

**FORM NUMBER : VI.A.1-2**

Attachment : 2  
Rule Number : VI.A.1

Number : S- /PM/19 Jakarta .....,19...

Enclosure :

Subject : Notification of insufficient data in  
the application for approval as a  
Bank Custodian

To  
.....  
in  
.....

Referring to your application letter number .....dated ..... regarding:.....,we  
hereby notify you that the application is incomplete because it does not contain the following:

1. ....
2. ....
3. ....

With respect to the above matter, we hereby inform you that your application cannot be  
processed until you provide the information referred to above.

Please be advised accordingly.

CAPITAL MARKET  
SUPERVISORY AGENCY  
Chairman,

.....  
NIP. ....

- cc:
1. Secretary of Bapepam
  2. Head of Bapepam Bureaus



**FORM NUMBER : VI.A.1-3**

Attachment : 3  
Rule Number : VI.A.1

Number : Jakarta,.....19..  
Enclosure :  
Subject : Rejection of an application for  
Approval of a Commercial  
Bank as a Custodian

To  
.....  
in  
.....

Referring to your letter number : ..... dated ..... regarding  
....., after examining your application, we hereby inform you that your  
application is rejected for the following reasons :

1. ....
2. ....
3. ....

Please be advised accordingly.

CAPITAL MARKET SUPERVISORY  
AGENCY  
Chairman,

.....  
NIP.....

- cc:
1. Secretary of Bapepam
  2. Heads of Bapepam Bureaus

**FORM NUMBER : VI.A.1-4**

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Attachment : 4  
Rule Number : VI.A.1

**DECISION OF THE CAPITAL MARKET SUPERVISORY AGENCY**

**NUMBER: KEP...../PM/19.....**

**ON**

**APPROVAL OF A COMMERCIAL BANK TO BE A CUSTODIAN IN THE CAPITAL MARKET**

**TO.....**

**(NUMBER: □.□□□.□□□.□-□□□)**

**CAPITAL MARKET SUPERVISORY AGENCY**

**CHAIRMAN**

Reading : The Company's Application to be a Capital Market custodian Number  
..... date .....

Considering : that your application has met the requirements established for granting approval as a  
Capital Market Custodian

Bearing in mind

1. Law Number 8, 1995 concerning Capital Market (State Gazette Number 64, 1995, Additional State Gazette Number 3608);
2. Regulation of the Government of the Republic of Indonesia Number 45, 1995 concerning Implementation in the Capital Market activities (State Gazette Number 86, 1995, Additional State Gazette Number 3617);
3. Decision of the Chairman of the Capital Market Supervisory Agency, Number KEP- .../PM/1996 concerning Approval for a Commercial Bank to be a Custodian

**HAS DECIDED**

Stipulated : **DECISION OF THE CHAIRMAN OF THE CAPITAL MARKET SUPERVISORY AGENCY CONCERNING GRANTING APPROVAL FOR A COMMERCIAL BANK TO BE A CUSTODIAN TO PT.....**

Article 1

Granting approval as a Capital Market Custodian to PT....., with the main office address of:  
.....

Article 2

This decision is effective as of the date issued.

Article 3

If this decision is found to be defective, it will be corrected.

Issued in : Jakarta

on :

CAPITAL MARKET SUPERVISORY  
AGENCY

Chairman,

.....  
NIP. ....