

PRESS RELEASE

Issuance of OJK Circular Letter Number 7/SEOJK.04/2014

Financial Services Authority (OJK) on Thursday, April 24th, 2014 released OJK Circular Letter Number 7/SEOJK.04/2014 on implementation of face to face meeting for acceptance of mutual fund holders through opening accounts electronically, and procedure for subscription and redemption of mutual fund carried out electronically.

The issuance of this circular letter is in the framework of implementing Capital Market and Financial Institutions Supervisory Agency (Bapepam LK) Regulation Number IV.B.1, appendix to Bapepam LK Decision Number KEP-552/BL/2010 dated December 30th, 2010 on guideline in managing mutual fund in the form of collective investment contract, and also to actualize Bapepam LK Regulation Number V.D.10, appendix to Decision of Chairman of Bapepam LK Number KEP-476/BL/2009 dated December 23rd, 2009 on know-your-customers principle for financial services providers in capital market. This regulation is also issued in an effort to enlarge and increase the number of mutual fund financiers.

The OJK circular letter regulates that investment manager may use face to face meeting conducted by commercial bank and/or mutual fund selling agent (APERD) to open customer`s mutual fund account using provided electronic system.

Furthermore, the circular letter also regulates that an investment manager or APERD can conduct subscription and redemption of mutual fund electronically, under the condition that the investment manager or APERD must beforehand have electronic system for subscription and redemption of mutual fund, write in the collective investment contract and/or prospectus about procedure for subscription and redemption of mutual fund carried out electronically, and obtain permission from OJK.

This OJK circular letter also regulates that electronic system used by investment manager or APERD in conducting subscription and redemption transactions electronically must comply with Law Number 11 of 2008 on information and electronic transaction along with its implementing regulations, and also must ensure the availability of security system for customers intending to do subscription and redemption electronically.

In addition to the matters above, the circular letter also regulates that custodian bank must ensure that fund yielded from redemption of mutual fund be transferred to the account registered on the name of mutual fund holder who do the subscription, or to the holder`s other mutual fund account managed by the same investment manager, based on order from the mutual fund holder regarding payment to other mutual fund by and on behalf of the name of the mutual fund holder who do the subscription.

OJK circular letter on implementation of face to face meeting for acceptance of mutual fund holders through opening accounts electronically, and procedure for subscription and redemption of mutual fund carried out electronically is effective since the date of its promulgation on April 24th, 2014.

Content of the circular letter can be accessed from OJK website www.ojk.go.id.

Jakarta, May 2014
Director of Communications
and International Relation

Triyono