

DUPLICATE OF  
FINANCIAL SERVICES AUTHORITY CIRCULAR LETTER  
NUMBER 49/SEOJK.04/2016  
CONCERNING

SPECIFIC CRITERIA OF INVESTMENT PRODUCT IN THE CAPITAL MARKET  
TO SUPPORT THE LAW ON TAX AMNESTY

In order to implement Article 19 of the Financial Services Authority Regulation Number 26/POJK.04/2016 concerning Investment Product in the Capital Market to Support the Law on Tax Amnesty (State Gazette of the Republic of Indonesia Number 145, Supplement to the State Gazette of the Republic of Indonesia Number 5906 ), it is necessary to regulate specific criteria of investment products in the Capital Market to support the Law on Tax Amnesty in the Financial Services Authority Circular Letter as follows:

I. GENERAL PROVISIONS

In this Financial Services Authority Circular Letter, what is meant by:

1. Manager of Taxpayer's Asset who acts as the entrance to the Taxpayer's transfer and/or management of funds, hereinafter called as the Gateway, is a Bank, Investment Manager, or Broker-Dealer appointed by the Minister to accept the transfer of Taxpayer's Assets and/or to manage and place Taxpayer's funds on investment instruments in the framework of Tax Amnesty.
2. An Investment Manager is a Person other than an insurance company, pension fund or bank with respect to its own lawful activities, that, as a business, manages Securities Portfolios or collective investment portfolios for clients or group of clients.

3. Non Public Fund of Collective Investment Contract, hereinafter referred to as Non Public Investment Fund, is an instrument used to raise funds from professional investors which are then invested by Investment Managers in Real Sector Activity-based Securities Portfolios.
4. Management of Securities Portfolio for the Individual Customer is a fund management services by an Investment Manager for a particular client, where based on an agreement on the management of Securities Portfolios, the Investment Manager is given full authority by the client to manage Securities Portfolios based on the agreement.
5. Offering is an activity of conveying information or forwarding leaflets, brochures, and/or similar matters containing information and/or explanations.
6. Investor is taxpayer, either an individual or entity, that based on the Law on Tax Amnesty has obtained a Tax Amnesty Certificate as referred to in the Law on Tax Amnesty.
7. Asset Backed Securities of Collective Investment Contract, hereinafter referred to as KIK-EBA, is a contract between Investment Manager and Custodian Bank that binds Asset Backed Securities holders where the Investment Manager is authorized to manage collective investment portfolios and the Custodian Bank is authorized to carry out Collective Custody.
8. Asset Backed Securities, hereinafter referred to as EBA, are Securities issued by KIK-EBA which their portfolio consist of financial assets in the form of bills arising from commercial securities, credit card, future receivables, credit including mortgage, Government-guaranteed debt securities, Credit Enhancement/Cash Flow Facilities, and equivalent financial assets and other financial assets related to the financial assets.

9. Real Estate Investment Fund, hereinafter referred to as DIRE, is an instrument that is used to raise funds from investor community to be invested in Real Estate assets, Assets Related to Real Estate, and/or cash and cash equivalents.
10. Originator is a Party who has transferred its financial assets to the Asset Backed Securities holders collectively where the financial asset is obtained by the related Party from loans, sales and/or other services related to its business.

## II. NON PUBLIC INVESTMENT FUND

1. In the case of a Target Company conducting a Public Offering, Non Public Investment Fund that invests in equity securities of the Target Company, must sell the equity securities during the period as referred to in the Financial Services Authority Regulation Number 37/POJK.04/2014 concerning Mutual Fund in the form of Non Public Investment Fund of Collective Investment Contracts or a certain longer period of time as long as specified in the Collective Investment Contract.
2. Investment Manager of Non Public Investment Fund can buy, for the benefit of Non Public Investment Fund, Securities issued by parties affiliated with the Investment Manager, provided that:
  - a. buying transaction on the Target Company securities must be executed in an arm's length condition where transactions between the Parties are executed independently and at a reasonable price;
  - b. in the case of the Target Company Securities to be purchased are debt securities, the Securities must be collateralized by fiduciary collateral and/or mortgage rights worth at least 100% (one hundred percent) of nominal value of the debt securities, except for debt securities that have been rated an investment

- grade by a Securities Rating Agency that obtained a business license from the Financial Services Authority;
- c. in the case of the Target Company Securities to be purchased are equity securities, due diligence of the Target Company and its real sector must be supported by an independent valuation report prepared by an Appraiser registered at the Financial Services Authority; and
  - d. The Investment Manager is obliged to disclose information regarding the investment of Non Public Investment Fund in Securities issued by parties affiliated with the Investment Manager in the Non Public Investment Fund disclosure document.
3. The Investment Manager of Non Public Investment Fund must have a Participation Unit of each Non Public Investment Fund managed by the Investment Manager at least 1,000,000 (one million) Participation Units until Non Public Investment Fund is liquidated.

### III. SECURITIES PORTFOLIO MANAGEMENT FOR INDIVIDUAL INVESTOR

1. The Investment Manager who is appointed as Gateway can use services of other parties to conduct Offering on Securities Portfolios Management for the Interest of Individual Customer to prospective Investors.
2. Other parties as referred to in number 1 can be in the form of:
  - a. Broker Dealer that is appointed as Gateway; or
  - b. Commercial banks that is appointed as Gateway or Perception Bank.
3. In making an offering, authority of other party is limited to:
  - a. forward information related to Securities Portfolios Management for the Interest of Individual Customer from Investment Managers to Investors; or

- b. provide information about Investors to the Investment Manager based on Investor approval.
4. An offering by other parties to prospective Investors can be conducted either through direct meetings (face to face), letters, and/or electronic media.
5. Investment Managers who use services of other parties to conduct an Offering on Securities Portfolios Management for the Interest of Individual Customer is obliged to:
  - a. make written policies and procedures related to Securities Portfolios Management for the Interest of Individual Customers offered through other parties;
  - b. provide information related to Securities Portfolios Management for the Interest of Individual Customer for offering purposes;
  - c. make a written agreement between the Investment Manager and another party, which at least contains:
    - 1) rights, obligations, and responsibilities of each party;
    - 2) costs; and
    - 3) settlement in the event of a dispute; and
  - d. responsible for handling customer complaints.
6. Initial Deposit of Investors in the Securities Portfolios Management for the Interest of Individual Customer can be in the form of Securities which are at least equivalent to Rp5,000,000,000.00 (five billion rupiahs).
7. In the case of the initial deposit of Investors is in the form of Securities, initial value of the Securities investment of Individual Customer Portfolio Management must be valued based on fair market value calculated based on Rule Number IV.C.2, Attachment to Decision of Chairperson of Capital Market and Financial Institution Supervisory Agency Number: Kep-367/ BL /2012 dated

July 9, 2012 concerning Fair Market Value of Securities in Investment Fund Portfolio.

#### IV. ASSET-BACKED SECURITIES OF COLLECTIVE INVESTMENT CONTRACT (KIK-EBA)

1. financial assets transfer from the Originator to KIK-EBA must meet the following criteria of sale and purchase or exchange as follows:
  - a. The financial assets must be separated from the Originator financial assets;
  - b. The Originator must transfer all rights and obligations related to financial assets to KIK-EBA and are prohibited from holding any benefits from the financial assets;
  - c. The Originator no longer acts as right holder of the financial asset, either directly or indirectly;
  - d. The Originator may not be in the position of controlling KIK-EBA in a financial asset securitization transaction;
  - e. KIK-EBA does not have to request (recourse) the Originator for losses incurred from the financial assets;
  - f. In the case of the Originator also acting as a service provider (servicer), services as a service provider (servicer) must be provided based on the fairness principle (arm's length basis);
  - g. In the case of the Originator also acting as a paying agent, there should be no obligation imposed on the Originator to provide funds to KIK-EBA until the funds are received from the debtor; and
  - h. even though the criterias as referred to in letters a to g have been determined:
    - 1) in the case of the financial assets in KIK-EBA have decreased to an uneconomic scale, the Originator has right to refuse to buy back financial assets in the KIK-EBA at a reasonable value; or

2) The Originator can buy back financial assets from KIK-EBA in the case of the Originator based on the securitization transaction has an obligation to do so because the Originator violates conditions or guarantees in the securitization transaction.

2. Fulfillment of the criteria for buying and selling or exchanging as referred to in number 1 can be sufficiently supported by a Legal Consultant opinion registered at the Financial Services Authority.

#### V. REAL ESTATE INVESTMENT FUND (DIRE)

1. DIRE can invest in part of a Real Estate asset, provided that Real Estate assets acquisition is executed for the best interests of DIRE Participation Unit holder.
2. DIRE can invest in Real Estate assets indirectly through acquisition of company shares of Real Estate assets owner, provided that the company shares have generated revenue.
3. In the case of DIRE invests in Real Estate assets as referred to in number 2, the Investment Manager is excluded from owning and administering documents related to Registration Statement in the Public Offering of Real Estate Investment Funds as follows:
  - a. Real Estate management agreement;
  - b. Real Estate valuation documents;
  - c. copy of the lease agreement related to Real Estate;
  - d. copy of the Real Estate sale and purchase agreement; and
  - e. copy of building rights certificate and land title and/or other building certificate.

## VI. CLOSING PROVISIONS

This Circular Letter shall come into force at the date of its promulgation..

Enacted in Jakarta  
on December 19, 2016  
CHIEF EXECUTIVE  
OF CAPITAL MARKET  
SUPERVISOR,

Signed

NURHAIDA

The duplicate corresponds to the  
original  
Director of Legal 1  
Department of Legal

Signed

Yuliana