



Financial Services Authority of
the Republic of Indonesia

DUPLICATE OF
REGULATION OF FINANCIAL SERVICES AUTHORITY OF
THE REPUBLIC OF INDONESIA
NUMBER 4 OF 2023
CONCERNING
THE SECOND AMENDMENT TO THE REGULATION OF FINANCIAL SERVICES
AUTHORITY NUMBER 23/POJK.04/2016 CONCERNING INVESTMENT FUNDS
IN THE FORM OF COLLECTIVE INVESTMENT CONTRACTS

BY THE GRACE OF GOD ALMIGHTY

BOARD OF COMMISSIONERS OF FINANCIAL SERVICES AUTHORITY,

- Considering :
- a. that a strategic policy is needed as a response to the issues of liquidity in the management of investment funds, the condition that causes a restructure of investment funds, and the development of mutual funds in Indonesia;
 - b. that to support the strategic policies as referred to in letter a, an adjustment to a number of provisions in the Regulation of Financial Services Authority Number 23/POJK.04/2016 concerning Investment Funds in the

Form of Collective Investment Contracts as has been amended by the Regulation of Financial Services Authority Number 2/POJK.04/2020 concerning Amendment to the Regulation of Financial Services Authority Number 23/POJK.04/2016 concerning Investment Funds in the Form of Collective Investment Contracts;

- c. that according to the considerations as referred to in letter a and letter b, it is necessary to enact the Regulation of Financial Services Authority concerning the Second Amendment of Regulation of Financial Services Authority Number 23/POJK.04/2016 concerning Investment Funds in the Form of Collective Investment Contracts;

- In view of :
1. Law Number 8 of 1995 concerning Capital Market (State Gazette of the Republic of Indonesia of 1995 Number 64, Additional State Gazette of the Republic Indonesia Number 3608) as amended by Law Number 4 of 2023 concerning Developing and Strengthening of the Financial Sector (State Gazette of the Republic of Indonesia of 2023 Number 4, Additional State Gazette of the Republic of Indonesia Number 6845);
 2. Law Number 21 of 2011 concerning Financial Services Authority (State Gazette of the Republic of Indonesia of 2011 Number 111, Additional State Gazette of the Republic of Indonesia Number 5253) as amended by Law Number 4 of 2023 concerning the Developing and Strengthening of the Financial Sector (State Gazette of the Republic of Indonesia of 2023 Number 4, Additional State Gazette of the Republic of Indonesia Number 6845);
 3. Regulation of Financial Services Authority Number 23/POJK.04/2016 concerning Investment Funds in the Form of Collective Investment Contracts (State Gazette of the Republic of Indonesia of 2016 Number 109, Additional State Gazette of the Republic of Indonesia Number 5886) as amended by the Regulation of Financial

Services Authority Number 2/POJK.04/2020 concerning Amendment to Regulation of Financial Services Authority Number 23/POJK.04/2016 concerning Investment Funds in the Form of Collective Investment Contracts (State Gazette of the Republic of Indonesia of 2020 Number 6, Additional State Gazette of the Republic of Indonesia Number 6455);

HAS DECIDED:

To enact : REGULATION OF FINANCIAL SERVICES AUTHORITY CONCERNING THE SECOND AMENDMENT TO THE REGULATION OF FINANCIAL SERVICES AUTHORITY NUMBER 23/POJK.04/2016 CONCERNING INVESTMENT FUNDS IN THE FORM OF COLLECTIVE INVESTMENT CONTRACTS.

Article 1

Several provisions in the Regulation of Financial Services Authority Number 23/POJK.04/2016 concerning Investment Funds in the Form of Collective Investment Contracts (State Gazette of the Republic of Indonesia of 2016 Number 109, Additional State Gazette of the Republic of Indonesia Number 5886) as amended by Regulation of Financial Services Authority Number 2/POJK.04/2020 concerning Amendment to the Regulation of Financial Services Authority Number 23/POJK.04/2016 concerning Investment Funds in the Form of Collective Investment Contracts (State Gazette of the Republic of Indonesia of 2020 Number 6, Additional State Gazette of the Republic of Indonesia Number 6455) are amended as follows:

1. In Between Article 15 and Article 16, 1 (one) article is inserted, namely Article 15A, thus, it shall be read as follows:

Article 15A

The implementation of the Fair Market Value calculations, announcement, and reporting of the Net Assets Value of Investment Funds with the underlying overseas Securities is to be applied in accordance with the following provisions:

- a. the time limit for the obligation to calculate and submit a Fair Market Value of the Securities in the portfolio of Investment Funds by the Investment Manager to the Custodian Bank, which is no later than at 17.00 Western Indonesian Time/*Waktu Indonesia Barat* (WIB) every exchange day as stipulated in the laws and regulation concerning the Fair Market Value of Securities in the Portfolio of Investment Funds, is not applicable to Investment Funds with the underlying overseas Securities.
- b. the Fair Market Value of Securities in the portfolio of Investment Funds with the underlying overseas Securities is obligated to be calculated and submitted by the Investment Manager to the Custodian Bank no later than 10.00 WIB on the next exchange day.
- c. the time limit for the obligation to submit the calculation of Net Assets Value of the Investment Funds conducted by the Custodian Bank of the open-ended Investment Funds, which is no later than at 10.00 WIB on the next exchange day to the Financial Services Authority and to make announcement to the public through daily newspaper circulated nationally, as stipulated in the Regulation of Financial Services Authority concerning the guidelines for daily announcement of Net Assets Value for open-end Investment Funds, is not applicable to Investment Funds with the underlying overseas Securities.

- d. the calculation of the Net Assets Value of Investment Funds with the underlying overseas Securities is obligated:
 - 1. to be submitted to the Financial Services Authority no later than 13.00 WIB on the next exchange day; and
 - 2. to be announced to the public through the website of the Investment Manager or the Custodian Bank on the next 1 (one) exchange day in Indonesia.
- e. the time limit for the obligation to submit reports on Investment Funds with the underlying overseas Securities conducted by the Custodian Bank of the open-end Investment Funds on every exchange day to the Financial Services Authority as stipulated in the Regulation of Financial Services Authority concerning reporting and accounting guidelines for Investment Funds is not applicable to the submission of report on Investment Funds with the underlying overseas Securities.
- f. The Custodian Bank of open-end Investment Funds is obligated to submit reports showing the financial condition of each Investment Funds with the underlying overseas Securities to the Financial Services Authority, in the forms of:
 - a. the Report of Asset and Liability of Investment Funds as set forth in Annex I;
 - b. the Report of Operation of Investment Funds as set forth in Attachment II;
 - c. the Report of Change of Net Assets of Investment Funds as set forth in Attachment III; and
 - d. the Report of Portfolio of Investment Funds as set forth in Attachment IV,

which form an integral part of the Regulation of Financial Services Authority concerning the reporting and accounting guidelines of Investment Funds every day no later than 13.00 WIB on the next business day.

2. The provision of Article 22 is amended, thus, it shall be read as follows:

Article 22

- (1) The Custodian Bank is obligated to ensure that the funds resulting from the repurchase of the Participation Unit or liquidation of Investment Funds are submitted to the account in the name of the holders of the Participation Unit of Investment Funds in the form of Collective Investment Contracts.
- (2) The account in the name of the holders of Participation Unit of Investment Funds in the form of Collective Investment Contracts as referred to in clause (1) may be in the forms of:
 - a. bank account;
 - b. electronic money account;
 - c. Investor Fund Unit Account in the Central Securities Depository;
 - d. customer fund account, in the event of the Transaction of Participation Unit of Investment Funds in the form of Collective Investment Contracts, is performed through a Securities Company;
 - e. Securities account in the event of in-kind redemption; and
 - f. other accounts.

3. In between Article 24 and Article 25, 1 (one) article is inserted, namely Article 24A, thus, it shall be read as follows:

Article 24A

- (1) In the event that the asset liquidity in the investment portfolio of Investment Funds fulfils the following conditions:
- a. experiencing liquidity pressure significantly, hence resulting in the failure of asset sales in the investment portfolio of Investment Funds;
 - b. being part of a settlement agreement with the holders of the Participation Unit of Investment Funds;
 - c. The Securities Exchange or market operator where the majority of the Securities in the portfolio of Investment Funds are traded is closed;
 - d. the trading record of Securities of the majority of the Securities in the portfolio of Investment Funds or the market operator is terminated or cancelled;
 - e. state of emergency;
 - f. the Securities Pricing Agency does not issue reference to the Fair Market Value;
 - g. a restructure of Debt Securities and/or sukuk by the issuer of Debt Securities and/or sukuk;
 - h. the rating of Debt Securities and/or sukuk in the majority or entire investment portfolio downgrades into a non-investment grade;
 - i. compliance with the laws and regulations; and/or
 - j. other conditions and factors stipulated in the investment management contracts,

in performing a repurchase as referred to in Article 21, the Investment Manager may conduct a repurchase with asset-transfer mechanism as long as it obtains approval from the Participation Unit holders.

- (2) The Investment Manager or the Participation Unit holders conducting a repurchase with asset-transfer mechanism, does not choose the type of portfolio that may be delivered as a fulfilment of the repurchase of the Participation Unit.
 - (3) The approval from the Participation Unit holders as referred to in clause (1) may be done through a general meeting of the Participation Unit holders stipulated in the Collective Investment Contracts or in the form of approval from each holder of Participation Unit based on a physical document or in the form of electronic media, as long as the authentication and validity may be proven.
 - (4) In the performance of repurchase with asset-transfer mechanism, as referred to in clause (1), the Custodian Bank is obligated to ensure that:
 - a. there is approval from the Participation Unit holders; and
 - b. the asset-transfer is delivered to the holders of the Participation Unit of Investment Funds in the form of Collective Investment Contracts.
4. The provisions in clause (3) Article 28 is amended and added with 1 (one) clause, namely clause (4), thus Article 28 shall be read as follows:

Article 28

- (1) The Custodian Bank is obligated to issue and submit a written letter or proof of confirmation for the ownership of the Participation Unit of

Investment Funds in the form of Collective Investment Contracts on the execution of orders from the Participation Unit holders directly to the Participation Unit holders.

- (2) The written letter or proof of confirmation for the ownership of the Participation Unit of Investment Funds in the form of Collective Investment Contracts as referred to in clause (1) is obligated:
 - a. to be sent to the Participation Unit holders no later than 7 (seven) exchange days upon the issuance of Participation Unit, for the sale of the Participation Unit; or
 - b. to be sent to the the Participation Unit holders no later than 7 (seven) exchange days upon the receipt of repurchase order of the Participation Uni completely, for the repurchase of the Participation Unit.
- (3) The submission of the written letter or proof of confirmation of ownership of the Participation Unit of Investment Funds in the form of Collective Investment Contracts as referred to in clause (1) is to be performed in accordance with the provision of the procedures for submission of a confirmation letter or proof of confirmation and periodic report of Investment Funds in electronic manner through the integrated investment management system as stipulated in the Regulation of Financial Services Authority on the integrated investment management system.
- (4) The written letter or proof of confirmation of ownership of the Participation Unit in the Form of Collective Investment Contracts to the holders of Participation Units of Investment Funds in the form of Collective Investment

Contracts as referred to in clause (1) conveys at least:

- a. the names of the holders of the Participation Units in the form of Collective Investment Contracts;
 - b. the names of the Investment Manager, Investment Fund Selling Agent, and Custodian Bank;
 - c. single investor identification number;
 - d. the issuance date of the letter or proof of confirmation;
 - e. the transaction date;
 - f. the account number of Investor Fund Unit Account;
 - g. the type of transaction;
 - h. transaction fees, in case any transaction fee is present;
 - i. Net Assets Value of the Investment Funds used to calculate the amount of Participation Unit sold, repurchased, or settled;
 - j. the amount of Participation Units owned before the sale, repurchase, or settlement;
 - k. the amount of Participation Units sold, repurchased, or settled; and
 - l. the amount of Participation Units owned after the sale, repurchase, or settlement.
5. The provisions in Article 29 are amended, thus it shall be read as follows:

Article 29

- (1) Custodian Bank is obligated to submit a report on Investment Funds to each holder of the Participation Unit of Investment Funds in the form of Collective Investment Contracts, provided that:

- a. no later than the 12th (twelfth) day in the next month when, in the previous month, an account mutation of the amount of Participant Unit owned by the holders of the Participation Unit is found;
 - b. no later than the 12th (twelfth) day of January, representing the account position on the 31 December; and
 - c. the report conveys information at least on:
 1. the name, address, account title, and account number of the Participation Unit holders;
 2. the amount of Participation Units owned at the beginning of the period;
 3. the date, Net Assets Value of the Investment Funds, and the amount of Participation Unit subscribed, redeemed, or settled in each transaction during the period; and
 4. the date of each dividend distribution or cash money distribution and amount of Participation Unit receiving the dividend.
- (2) The submission of report to each holder of Participation Unit of Investment Funds in the form of Collective Investment Contracts as referred to in clause (1) is to be performed in accordance with the provisions on the procedure for submission of letter or proof of confirmation of Investment Funds electronically through the integrated investment management system as stipulated in the Regulation of Financial Services Authority on the integrated investment management system.

6. The provisions in Article 37 are amended, thus it shall be read as follows:

Article 37

- (1) Payment for the purchase of Participation Unit of Investment Funds may use an electronic payment systems and/or bank account debit mechanism in accordance with the laws and regulations.
- (2) Payment for the repurchase or settlement of Participation Unit of Investment Funds may use electronic payment systems and/or bank account credit mechanisms from the holders of Participation Unit of Investment Funds in accordance with the laws and regulations.
- (3) Investment Manager and Investment Fund Selling Agent that sell the Investment Funds through an electronic system, the subscription of Investment Funds may be executed through electronic payment system, in the forms of:
 - a. a virtual account provided by a payment gateway service provider companies and fund transfer services, that have obtained a license from the Bank of Indonesia; and
 - b. other innovation of payment mechanisms for other transactions of Investment Funds.
- (4) Investment Manager and Investment Fund Selling Agent that conduct selling activities through the electronic system as referred to in clause (3) are obligated:
 - a. to obtain approval from the Financial Services Authority for the plan to use virtual accounts provided by the payment gateway service provider companies and/or fund transfer services that have obtained license from the Bank of Indonesia and other innovations of payment mechanisms for

other Investment Funds transactions, submitted to the Financial Services Authority;

- b. to ensure that a virtual account is made on behalf of the name of each holder of the Participation Unit of Investment Funds;
- c. to ensure that the virtual account is always at zero balance at the end of the exchange day by immediately forwarding the funds resulting from the purchase transaction of Investment Funds to the Investment Fund account administered by the Custodian Bank;
- d. to have an adequate standard operating procedure and risk management related to the use of a virtual account by Investment Manager and Investment Fund Selling Agent conducting selling activities through the electronic system as a supporting payment facility for the payment of Investment Funds transactions in electronic manner; and
- e. to have a written agreement with the relevant parties concerning the operational use of virtual accounts by the Investment Manager and Investment Fund Selling Agent conducting selling activities through the electronic system as a supporting payment facility for Investment Funds transactions in an electronic manner, provided that it at least covers:
 - 1. the identity of each party;
 - 2. the rights, obligations, and responsibilities of each party;
 - 3. term of the agreement;
 - 4. the mechanism of use for the virtual account by the Investment Managers and Investment Funds Selling Agent

- conducting selling activities through the electronic systems;
 - 5. the provisions in the event of disputes; and
 - 6. the provisions on the termination of the agreement.
- (5) In order to obtain approval as referred to in clause (4) letter a, the Investment Manager and the Investment Funds Selling Agents are obligated to submit:
- a. documents containing information that the virtual accounts are made on behalf of each holder of the Participation Unit of Investment Funds;
 - b. documents containing information that the virtual accounts are always at zero balance at the end of the exchange day by immediately transferring the funds resulting from the subscription transaction of the Investment Funds to the Investment Fund account administered by the Custodian Bank;
 - c. adequate standard operating procedure and risk management for the Investment Manager and the Investment Funds Selling Agent related to the use of virtual accounts by the Investment Manager and Investment Funds Selling Agent conducting selling activities through electronic system as a supporting payment facility for the subscription transaction of Investment Funds in an electronic manner; and
 - d. a written agreement between the Investment Manager and the Investment Funds Selling Agent with the parties related to the operational use of virtual accounts by the Investment Manager and Investment Funds

Selling Agent conducting selling activities through electronic system as a supporting payment facility for the purchase transaction of Investment Funds in an electronic manner provided that it covers at least:

1. the identity of each party;
2. the rights, obligations, and responsibilities of each party;
3. the term of the agreement;
4. the mechanism of use for the virtual accounts by the Investment Manager and Investment Funds Selling Agent conducting selling activities through the electronic systems;
5. provisions in the event of disputes; and
6. provisions for the termination of the agreement.

(6) In processing the application of the Investment Manager and Investment Fund Selling Agent as referred to in clause (5), the Financial Services Authority shall:

- a. review the data and information in the application document;
- b. request the parties to make presentations; and/or
- c. request changes and/or addition of information related to the fulfilment of the submitted documents.

(7) Financial Services Authority has the authority to approve or reject the application of the Investment Manager and the Investment Funds Selling Agent as referred to in clause (5).

(8) Upon the application of the Investment Manager and Investment Funds Selling Agent as referred to in clause (5), the Financial Services Authority

gives a response within a maximum period of 45 (forty-five) exchange days.

- (9) The response as referred to in clause (8) may consist of:
- a. approval;
 - b. rejection; or
 - c. confirmation of the request for a follow-up to fulfil the requirements.

7. In between letter d and e of Article 45, 1 (one) letter is inserted, namely letter d1, thus, it shall be read as follows:

Article 45

Investment Funds in the form of Collective Investment Contracts are obligated to be dissolved, when the following events occur:

- a. within a period of 90 (ninety) exchange days, Investment Funds, whose Registration Statement has become effective, own managed Funds of less than Rp 10,000,000,000.00 (ten billion Rupiahs).
- b. for Capital Protected Funds, Capital Guaranteed Funds, and Index Funds conducting a limited Public Offering, within a period of 120 (one hundred and twenty) exchange days after the Registration Statement of the Investment Funds becomes effective, owns managed Funds of less than Rp 10,000,000,000.00 (ten billion Rupiahs).
- c. being ordered by the Financial Services Authority in accordance with the provisions of laws and regulations in the Capital Market sector;
- d. the total Net Assets Value of Investment Funds of less than Rp 10,000,000,000.00 (ten billion Rupiahs) for 120 (one hundred and twenty) consecutive exchange days;

- d1. the amount of ownership is less than 10 (ten) Parties for 120 (one hundred and twenty) consecutive exchange days; and/or
 - e. The Investment Manager and Custodian Bank have agreed to dissolve the Investment Funds.
8. The provision of Article 46 is amended, thus it shall be read as follows:

Article 46

In the event that the Investment Fund in the form of Collective Investment Contracts is dissolved due to the conditions as referred to in Article 45 letter a or letter b, the Investment Manager is obligated to:

- a. submit a report on the conditions as referred to in Article 45 letter a or letter b to the Financial Services Authority and announce the dissolution plan of Investment Funds to the Participation Unit holders in at least 1 (one) daily newspaper in Indonesian language circulated nationally, no later than 2 (two) exchange days since the end of the time period as referred to in Article 45 letter a or letter b;
- b. instruct the Custodian Bank no later than 2 (two) exchange days since the end of the time period as referred to in Article 45 letter a or letter b, to pay the liquidation result in the forms of:
 - 1. funds; and/or
 - 2. assets if the Participation Unit holder agrees to receive payment in the form of assets, which becomes the right of the Participation Unit provided that the calculation is to be made proportionally from the Net Assets Value at the time of the dissolution, yet may not be less than the initial Net Assets Value (par value), and the funds or assets shall be received by the Participation Unit holder no later than 7 (seven)

- exchange days since the end of the time period as referred to in Article 45 letter a or letter b; and
- c. dissolve the Investment Funds within a maximum of no later than 10 (ten) exchange days since the end of the time period as referred to in Article 45 letter a or letter b, and submit a dissolution report of the Investment Funds to the Financial Services Authority no later than 10 (ten) exchange days after the Investment Funds is dissolved, accompanied by:
 1. the deed of dissolution of the Investment Funds from a Notary registered in the Financial Services Authority; and
 2. the financial statements on the dissolution of the Investment Funds audited by an Accountant registered in the Financial Services Authority if the Investment Funds have owned managed Funds.

9. The provisions of Article 47 are amended, thus it shall be read as follows:

Article 47

- (1) In the event that the Investment Funds in the form of Collective Investment Contracts are dissolved due to the conditions as referred to in Article 45 letter c, the Investment Manager is obligated to:
 - a. announce the plan to dissolve the Investment Funds in at least one (1) daily newspaper in Indonesian language circulated nationally no later than 2 (two) exchange days after being ordered by the Financial Services Authority, and on the same day notify in writing to Custodian Bank to stop the calculation of the Net Assets Value of Investment Funds;

- b. instruct the Custodian Bank no later than 2 (two) exchange days after being ordered by the Financial Services Authority to pay:
 1. the funds generated from the liquidation result of the Investment Funds, which becomes the right of the Participation Unit holders, equivalent to the amount of the Net Assets Value at the time of dissolution or cash value at the end of the liquidation (whichever is higher) and funds generated from the liquidation result is received by the Participation Unit holders no later than 7 (seven) exchange days since the dissolution or the completion of the liquidation; or
 2. asset resulting from the liquidation of the Investment Funds, if the Participation Unit holders agree to pay in the form of assets, which becomes the right of the Participation Unit holders, provided that the calculation shall be made in proportion to the Net Assets Value at the time of dissolution, and the asset resulting from the liquidation shall be received by the Participation Unit holders no later than 7 (seven) exchange days since the completion of the liquidation; and
- c. submit the dissolution report of the Investment Funds to the Financial Services Authority no later than 60 (sixty) exchange days since the Financial Services Authority orders the dissolution of the Investment Funds, accompanied by the following documents:

1. an opinion from a Legal Consultant registered in the Financial Services Authority;
 2. financial statements for the dissolution of the Investment Funds audited by an Accountant registered in the Financial Services Authority; and
 3. the deed of dissolution of the Investment Funds from a Notary registered in the Financial Services Authority.
- (2) The payment of the funds resulting from the liquidation as referred to in clause (1) letter b number 2 shall be made, under the following conditions:
- a. in the event of a condition where the value of the fund resulting from liquidation is less than the Net Assets Value at the time of dissolution or the cash value at the end of the liquidation, each member of the Board of Directors, member of the Board of Commissioners, the shareholder of Investment Manager, and/or other parties proven to commit violations, causing the Financial Services Authority to order the Investment Funds to be dissolved, are obligated to pay the deficit in joint responsibility; and/or
 - b. the fund payment resulting from the liquidation may be made gradually to the Participation Unit holders in proportion, by the percentage of ownership of Participation Units against the sales revenue.

10. The provisions of Article 48 are amended, thus it shall be read as follows:

Article 48

In the event that Investment Funds in the form of Collective Investment Contracts are dissolved due to the condition as referred to in Article 45 letter d or letter d1, the Investment Manager is obligated to:

- a. submit a report of the conditions as referred to in Article 45 letter d or letter d1 to the Financial Services Authority, accompanied by the latest financial condition of the Investment Funds, and announce to the Participation Unit holders related to the plan of dissolution of the Investment Funds within at least 1 (one) daily newspaper in the Indonesian language circulated nationally, within a duration of no later than 2 (two) exchange days since the end of the time period as referred to in Article 45 letter d and letter d1, as well as notify in writing on the same day to the Custodian Bank to stop the calculation of the Net Assets Value of Investment Funds;
- b. instruct the Custodian Bank no later than 2 (two) exchange days since the end of the time period as referred to in Article 45 letter d and letter d1, to pay the funds or assets resulting from the liquidation which is the right of the Participation Unit holders, provided that the calculation is to be made in proportion to the Net Assets Value when the liquidation has been completed, and its funds or assets resulting from the liquidation has been accepted by the Participation Unit holders no later than 7 (seven) exchange days since the completion of the liquidation; and
- c. submit a report of dissolution of Investment Funds to the Financial Services Authority no later than 60 (sixty) exchange days since the end

of the time period as referred to in Article 45 letter d and letter d1, accompanied by the following documents:

1. an opinion from a Legal Consultant registered in the Financial Services Authority;
2. financial statements for the dissolution of Investment Funds audited by an Accountant registered in the Financial Services Authority; and
3. the deed of dissolution of Investment Funds from a Notary registered in the Financial Services Authority.

11. The provisions of Article 49 are amended, thus it shall be read as follows:

Article 49

In the event that the Investment Funds in the form of Collective Investment Contracts are dissolved due to the condition as referred to in Article 45 letter e, the Investment Manager is obligated to:

- a. submit a dissolution plan of Investment Funds to the Financial Services Authority no later than 2 (two) exchange days since the consensus of the dissolution of Investment Funds from the Investment Manager and the Custodian Bank, by attaching:
 1. the dissolution agreement of Investment Funds between the Investment Manager and the Custodian Bank accompanied by the reason of the dissolution; and
 2. the latest financial condition.

and on the same day, the Investment Manager announces the dissolution plan of the Investment Funds to the Participation Unit holders at least in 1 (one) daily newspaper in Indonesian

language, circulated nationally, as well as notify in writing to the Custodian Bank to stop calculating the Net Assets Value of the Investment Funds;

- b. instruct the Custodian Bank no later than 2 (two) exchange days since the consensus of the liquidation of Investment Fund, to pay funds or assets resulting from the liquidation which is the right of the Participation Unit holders, provided that the calculation is to be made in proportion to the Net Assets Value when the liquidation has been completed, and the funds or assets resulting from such liquidation is to be received by the Participation Unit holders no later than 7 (seven) exchange days since the completion of the liquidation; and
- c. submit a dissolution report of Investment Funds to the Financial Services Authority no later than 60 (sixty) exchange days as of the dissolution of Investment Funds accompanied by the following documents:
 1. an opinion from a Legal Consultant registered in the Financial Services Authority;
 2. financial statements for the dissolution of Investment Funds audited by an Accountant registered in the Financial Services Authority; and
 3. the deed of dissolution of Investment Funds from a Notary registered in the Financial Services Authority.

12. In between Article 50 and Article 51, 2 (two) articles are inserted, namely Article 50A and Article 50B, thus it shall be read as follows:

Article 50A

- (1) A proportionate calculation of the Net Assets Value at the time of:
 - a. the dissolution as referred to in Article 46 and Article 47; or
 - b. the completion of liquidation as referred to in Article 48 and Article 49,is to be performed based on the number of Participation Units owned by the Participation Unit holders.
- (2) The payment of funds or assets resulting from the liquidation to the Participation Unit holders of Investment Funds is based on the result of liquidation executed by the Investment Manager.

Article 50B

The payment of assets resulting from the liquidation to the holders of Participation Unit of Investment Funds as referred to in Article 46 letter b, Article 47 clause (1) letter b number 1, Article 48 letter b, Article 49 letter b, and Article 50A clause (2) may only be performed under the following conditions:

- a. The Securities Exchange or market operator where the majority of the Portfolio of the Investment Funds are traded is closed;
- b. the trading of Securities of the majority of the Securities portfolio of the Investment Funds or the market operator is terminated or cancelled.
- c. state of emergency;
- d. Securities Pricing Agency does not publish the reference to Fair Market Value;
- e. a restructure of Debt Securities and/or sukuk by the issuer of the Debt Securities and/or sukuk;
- f. the ratings of Debt Securities and/or sukuk in the majority or entire investment portfolio are downgraded into a non-investment grade

- g. compliance with the laws and regulations;
and/or
- h. other conditions and other matters stipulated in
the investment management contract.

13. After Section Two of Chapter III, 1 (one) section is added, namely Section Three, thus it shall be read as follows:

Section Three
Implementation of Multi-Class Features
in Investment Funds

14. In between Article 67 and Article 68, 2 (two) articles are inserted, namely Article 67A and Article 67B, thus it shall be read as follows:

Article 67A

- (1) The implementation of multi-class features applies to the open-ended Investment Funds and may only be conducted for Investment Funds with the same investment policy and asset portfolio.
- (2) The division of multi-class features in one Investment Fund may only be conducted based on the distinguishing feature that has an administrative character.
- (3) The division of multi-class features in Investment Funds is obligated to be disclosed in the Collective Investment Contracts and Prospectus and submitted to the Financial Services Authority.
- (4) In the event that the Investment Manager implements the multi-class features, the Investment Manager is obligated to:
 - a. uphold the principles of transparency and openness of the features, costs, risks, and

other matters related to the implementation of the multi-class features in an Investment Fund;

- b. have adequate risk mitigation to avoid systematic risks between classes in the same Investment Funds;
 - c. record each class stipulated in Investment Funds into an integrated investment management system;
 - d. provide socialization and education to consumers related to the implementation of multi-class features in the managed Investment Funds; and
 - e. provide transparency of information on each class available to investors at the time when it performs marketing.
- (5) The Custodian Bank administering Investment Funds implementing multi-class features is obligated to:
- a. have an adequate system to record and administer Investment Funds implementing multi-class features;
 - b. calculate the Net Assets Value of each class stipulated in Investment Funds by taking into account the provisions of laws and regulations; and
 - c. prepare the financial statements of Investment Funds based on the accounting principles generally applicable and disclose the financial condition of each class that has been stipulated in the Investment Funds.

Article 67B

In the event that the multi-class feature is implemented for open-ended Investment Funds whose Registration Statement declared as effective by the Financial Services Authority, the Investment Manager

is obligated to make changes to the Collective Investment Contracts and Prospectus of the Investment Funds through the mechanism as stipulated in Article 67.

15. After Section Three of Chapter III, 1 (one) section is added, namely Section Four, thus it shall be read as follows:

Section Four:

Relaxation and Restructuring for the Downgrade of
Debt Securities Rating in the Portfolio of Capital
Protected Funds and Non-Publicly Offered
Investment Funds.

16. In between Article 67B and Article 68, 5 (five) articles are inserted, namely Article 67C, Article 67D, Article 67E, Article 67F, and Article 67G, thus it shall be read as follows:

Article 67C

- (1) In the event of the downgrade of Debt Securities and/or corporate sukuk rating in the portfolio of Non-Publicly Offered Investment Funds, where the rate becomes under BBB- or equivalent to it, as issued by a rating agency or in a particular rate categorized as inappropriate for investment, the Investment Manager may request for a relaxation of time period to fulfil the guarantee of investment of Non-Publicly Traded Investment Funds in Debt Securities and/or sukuk to the Financial Services Authority, provided that:
 - a. the Investment Manager submits a follow-up plan and the duration of fulfilment for the obligation of guarantee participation from the target company; and

- b. the Investment Manager acts in good faith and professional manner for the investor interests to formulate steps of fulfilment for the guarantee of Debt Securities and/or corporate sukuk in the portfolio of Non-Publicly Traded Investment Fund.
- (2) In the event that after the mechanism of guarantee fulfilment as referred to in clause (1), a restructuring option for the Debt Securities and/or corporate sukuk in the portfolio of Non-Publicly Traded Investment Fund is found, the Investment Manager is obligated to:
- a. submit a restructuring plan for the Debt Securities and/or corporate sukuk in the portfolio of Non-Publicly Traded Investment Funds to the Financial Services Authority no later than 10 (ten) business days since the option from the target company is found;
 - b. obtain approval from the Participation Units holders through a mechanism of general meeting of the Participation Units holders on the restructuring plan for the Debt Securities and/or corporate sukuk in the portfolio of Non-Publicly Traded Investment Funds;
 - c. amend the Collective Investment Contracts and disclosure documents for the Non-Publicly Traded Investment Funds; and
 - d. submit the documents related to the restructuring of Debt Securities and/or corporate sukuk in the portfolio of Non-Publicly Traded Investment Funds to the Financial Services Authority no later than 10 (ten) business days before the restructuring takes place, supplemented with the same required documents with the ones submitted at the time of the

registration application of the Non-Publicly Traded Investment Funds, that has been adjusted in connection to the restructuring of Securities.

Article 67D

Investment Managers managing the Non-Publicly Traded Investment Funds experiencing a restructuring as referred to in Article 67C clause (2) is obligated to:

- a. act in good faith and professional manner for the investor interests to periodically monitor the performance of Debt Securities and/or corporate sukuk in the restructuring that becomes the portfolio of Non-Publicly Traded Investment Funds;
- b. take the best attempts necessary to maintain the interests of the Participation Unit holders of Non-Publicly Offered Funds in the restructuring, accompanied by rational analysis and considerations in accordance with the provisions of laws and regulations;
- c. communicate periodically with the Participation Units holders on the condition and development of the Non-Publicly Offered Funds in the restructuring;
- d. resolve complaints from the Participation Unit holders of the Capital Protected Funds in the restructuring.

Article 67E

- (1) In the event that the portfolio of Debt Securities, including Fixed Cash Flow Asset-Backed Securities, as the protection basis for the Capital Protected Funds, experience a rating downgrade at the rate of under BBB- or equivalent to it, as issued by a rating agency or in a particular rate

categorized as inappropriate for investment, the Investment Manager may request for a relaxation of time period to replace the portfolio of Securities to the Financial Services Authority, provided that:

- a. the Investment Manager submits a follow-up plan to settle and/or restructure the Securities portfolio that becomes the protection basis for the Capital Protected Funds; and
 - b. the Investment Manager acts in good faith and professional manner for the investor interests to formulate steps of settlement and/or restructuring of the Securities portfolio that becomes the protection basis for the Capital Protected Funds.
- (2) In the event that a restructuring plan for Debt Securities and/or corporate sukuk is found after the mechanism as referred to in clause (1), the Investment Manager is obligated to:
- a. submit a restructuring plan of Debt Securities and/or corporate sukuk in the portfolio of Capital Protected Funds to the Financial Services Authority;
 - b. submit a notice to the the Participation Unit holders for the restructuring plan of Debt Securities and/or corporate sukuk in the Portfolio of Capital Protected Funds; and
 - c. amend the Collective Investment Contracts and Prospectus of Investment Funds in accordance with the provisions of Article 67.

Article 67F

Investment Managers managing Capital Protected Funds and experiencing restructuring as referred to in Article 67E, is obligated to:

- a. act in good faith and professional manner for the interests of investors to periodically monitor the performance of Debt Securities and/or corporate sukuk in the restructuring that becomes the portfolio of Investment Funds in the form of Collective Investment Contracts with limited participation;
- b. take the best steps necessary, to maintain the interests of the Participation Unit holders of Capital Protected Funds in the restructuring, accompanied by rational analysis and considerations in accordance with provisions of laws and regulations;
- c. periodically communicate with the Participation Units holders concerning the condition and development of the Capital Protected Funds in the restructuring;
- d. resolve complaints from the Participation Unit holders of the Capital Protected Funds in the restructuring.
- e. change the name of the Investment Funds by adding the word "restructuring" to the name of the Capital Protected Funds; and
- f. add a mechanism of the General Meeting of the Participation Unit holders to the Collective Investment Contract and the Prospectus of Capital Protected Funds experiencing the restructuring as a facility of decision-making for the Participation Unit holders.

Article 67G

- (1) In processing the relaxation and restructuring application from the Investment Manager, as referred to in Article 67C, Article 67D, Article 67E, and Article 67F, the Financial Services Authority:

- a. reviews the data and information in the application documents;
 - b. requests the parties to make presentations; and/or
 - c. requests changes and/or additional information concerning to the complete required documents submitted.
- (2) The Financial Services Authority may approve or reject the application from the Investment Manager related to the relaxation and restructuring as referred to in Article 67C, Article 67D, and Article 67F.
- (3) Upon the application from the Investment Manager related to the relaxation and restructuring as referred to in Article 67C, Article 67D, Article 67E, and Article 67F, the Financial Services Authority shall give a response within no later than 45 (forty-five) exchange days.
- (4) The response as referred to in clause (3) may be in the forms of:
- a. approval;
 - b. rejection; or
 - c. confirmation of the follow-up requests to fulfil the requirements.
17. The provisions of Article 76 are amended, thus it shall be read as follows:

Article 76

- (1) Any party violating the provisions as referred to in Article 2, Article 3, Article 4, Article 5 clause (2), clause (3), clause (4), Article 6 clause (1), Article 7, Article 8, Article 9, Article 10, Article 11, Article 12, Article 13, Article 14 clause (1), clause (2), Article 15, Article 15A letter b, letter d, and letter f, Article 16, Article 17 clause (1), Article 19 clause (3), Article 20 clause (2), Article

21, Article 22 clause (1), Article 23 clause (4), Article 24A clause (4), Article 25 clause (2), clause (4), Article 26, Article 27, Article 28 clause (1), clause (2), Article 29 clause (1), Article 31 clause (2), Article 34 clause (3), clause (4), Article 35 clause (2), clause (3), clause (4), clause (5), clause (6), Article 37 clause (4), Article 38, Article 39, Article 41, Article 42, Article 43 clause (1), clause (3), clause (4), clause (5), Article 44 clause (1), clause (3), Article 45, Article 46, Article 47 clause (1) and clause (2) letter a, Article 48, Article 49, Article 52 clause (3), Article 56, Article 57, Article 58, Article 64, Article 65, Article 66, Article 67, Article 67A clause (3), clause (4), clause (5), Article 67B, Article 67D, Article 67E clause (2), Article 67F, Article 68, Article 71 clause (2), and clause (4), Article 73, shall be subjected to administrative sanctions.

- (2) Sanctions referred to in clause (1) shall also be imposed to the party causing a violation as referred to in paragraph (1).
- (3) Sanctions as referred to in clause (1) and clause (2) shall be imposed by the Financial Services Authority.
- (4) Administrative sanctions as referred to in clause (1) in the form of:
 - a. written admonition;
 - b. fines, namely the obligation to pay a certain amount of money;
 - c. limitation to business activity;
 - d. suspension of business activity;
 - e. revocation of business license;
 - f. cancellation of approval; and/or
 - g. cancellation of registration.
- (5) Administrative sanctions as referred to in clause (4) letter b, letter c, letter d, letter e, letter f, or letter g may be imposed with or without prior

imposition of administrative sanctions in the form of written admonition as referred to in clause (4) letter a.

- (6) Administrative sanctions in the form of fines as referred to in clause (4) letter b may be imposed separately or jointly with the imposition of administrative sanctions as referred to in clause (4) letter c, letter d, letter e, letter f, or letter g.
- (7) The procedure of imposing sanctions as referred to in clause (3) shall be conducted in accordance with the provisions of laws and regulations.

Article II

1. The account in the name of the Participation Unit holders of Investment Funds in the form of Collective Investment Contracts constituted as Investor Fund Unit Account may be used after the Central Securities Depository provides the infrastructure for Investor Fund Unit Account.
2. The application for relaxation and restructuring due to the rating downgrade of Debt-Securities in the portfolio of Capital Protected Funds and Non-Publicly Offered Investment Fund that have been proposed to the Financial Services Authority before this Regulation of Financial Services Authority enters into force, is to be processed in accordance with the provisions of the Circular Letter of Financial Services Authority Number 19/SEOJK.04/2021 concerning Policies on the Stimulus and Relaxation Provisions on the Investment Management in Maintaining Performance and Stability of Capital Market due to the Spread of Corona Virus Disease 2019.
3. The application of dissolution for the Investment Funds that have been proposed to the Financial Services Authority before this Regulation of Financial Services Authority enters into force, is to be processed in accordance with the Regulation of Financial

Services Authority Number 23/POJK.04/2016 concerning Investment Funds in the form of Collective Investment Contracts as amended by the Regulation of Financial Services Authority Number 2/POJK.04/2020 concerning Amendment to Regulation of Financial Services Authority Number 23/POJK.04/2016 concerning Investment Funds in the form of Collective Investment Contracts and Circulation Letter of Financial Services Authority Number 19/SEOJK.04/2021 concerning Policies on the Stimulus and Relaxation Provisions on the Investment Management in Maintaining Performance and Stability of Capital Market due to the Spread of Corona Virus Disease 2019.

4. The provisions on the report of the open-ended Investment Funds as referred to in Article 8 of the Regulation of Financial Services Authority Number 56/POJK.04/2020 concerning Reporting and Guidelines of Accounting for Investment Funds (State Gazette of the Republic of Indonesia of 2020 Number 280, Additional State Gazette of the Republic of Indonesia Number 6593) shall be declared as no longer applicable to the Investment Funds in the form of Collective Investment Contracts.
5. This Regulation of Financial Services Authority enters into force on the date of its promulgation.

For public cognizance, it is hereby ordered that this Regulation of Financial Services Authority be promulgated in the State Gazette of the Republic of Indonesia.

Enacted in Jakarta
on 30th March 2023

CHAIRMAN OF THE BOARD OF
COMMISSIONERS OF FINANCIAL
SERVICES AUTHORITY OF
THE REPUBLIC OF INDONESIA,

Signed

MAHENDRA SIREGAR

Promulgated in Jakarta
on 31 March 2023

MINISTER OF LAW AND HUMAN RIGHTS OF THE
REPUBLIC OF INDONESIA

Signed

YASONNA H. LAOLY

STATE GAZETTE OF THE REPUBLIC OF INDONESIA OF 2023 NUMBER 7/
OJK

This duplicate is in accordance with its original
Director of Law 1
Department of Law

Signed

Mufli Asmawidjaja

ELUCIDATION
OF
REGULATION OF FINANCIAL SERVICES AUTHORITY
OF THE REPUBLIC OF INDONESIA
NUMBER 4 OF 2023
CONCERNING
THE SECOND AMENDMENT TO THE REGULATION OF FINANCIAL SERVICES
AUTHORITY NUMBER 23/POJK.04/2016 CONCERNING INVESTMENT FUNDS
IN THE FORM OF COLLECTIVE INVESTMENT CONTRACTS

I. GENERAL

Investment Funds are one of the alternatives to investment instruments that remains favoured by the investor community. Aside from the expectation that Investment Funds may generate profit, it is also expected to become a safe alternative investment for investors.

However, in line with the rapid growth of Investment Funds, there are strategic issues left unregulated and provisions in the Regulation of Financial Services Authority Number 23/POJK.04/2016 concerning Investment Funds in the form of Collective Investment Contracts, as amended by the Regulation of Financial Services Authority Number 2/POJK.04/2020 concerning Amendment to the Regulation of Financial Services Authority Number 23/POJK.04/2016 concerning Investment Funds in the form of Collective Investment Contracts, are no longer relevant with the needs and development of Capital Market.

Having due regard to such matters, the Financial Services Authority stipulates this Regulation of Financial Services Authority construed as the amendment to the Regulation of Financial Services Authority No.23/POJK.04/2016 concerning Investment Funds in the form of Collective Investment Contracts which includes the Investment Funds settlement through in-kind redemptions, implementation standards of

"share class", calculation of the Net Assets Value for Mutual Funds with the underlying overseas Securities, and electronic payment systems in the form of virtual account.

II. ARTICLE BY ARTICLE

Article I

Number 1

Article 15A

"Investment Funds with the underlying overseas Securities" means Investment Funds based on foreign Securities in the forms of conventional and sharia.

Number 2

Article 22

Clause (1)

Self-explanatory.

Clause (2)

Letter a

Self-explanatory.

Letter b

Self-explanatory.

Letter c

Self-explanatory.

Letter d

Self-explanatory

Letter e

Self-explanatory

Letter f

"Other accounts" means an account adjusted to the development of the payment system.

Number 3

Article 24A

Clause (1)

"Asset-transfer mechanism" is known as in kind redemption.

Letter a

Self-explanatory.

Letter b

Self-explanatory.

Letter c

Self-explanatory.

Letter d

Self-explanatory.

Letter e

"State of Emergency" means a force majeure beyond the capacity of the Party as a result of, among others, the presence of war, natural events such as earthquakes or floods, strikes, sabotages or riots, such a significant and material decrease of the majority or entire prices of Securities listed in the Securities Exchange, that occurs suddenly (crash), or failure of the trading or transaction settlement system.

Letter f

Self-explanatory.

Letter g

Self-explanatory.

Letter h

Self-explanatory.

Letter i

Self-explanatory

Letter j

Self-explanatory

Clause (2)

Self-explanatory

Clause (3)

Self-explanatory

Clause (4)

Self-explanatory

Number 4

Article 28

Clause (1)

The submission of a written letter or proof of confirmation for the ownership of the Participation Unit of Investment Funds in the form of Collective Investment Contracts directly to the Participation Unit holders, including the proof in the form of bank account statements showing the ownership of the relevant Participation Unit of Mutual Funds in the Custodian Bank.

Clause (2)

Self-explanatory.

Clause (3)

Self-explanatory.

Clause (4)

Self-explanatory.

Number 5

Article 29

Self-explanatory.

Number 6

Article 37

Clause (1)

The electronic payment systems as referred to in this clause among others are Automated Teller Machines (ATMs), internet banking, and mobile banking.

The debit mechanism as referred to in this clause may be made periodically.

Regular investment in Investment Funds is more commonly known as Instalment.

Clause (2)

An example of electronic payment as referred to in this clause among others is payments through electronic money.

Clause (3)

This provision is intended to facilitate the subscription of Investment Funds for investors conducting transactions of Investment Funds in an electronic manner.

Letter a

Self-explanatory.

Letter b

Self-explanatory.

Clause (4)

Self-explanatory.

Clause (5)

Self-explanatory.

Clause (6)

Self-explanatory.

Clause (7)

Self-explanatory.

Clause (8)

Self-explanatory.

Clause (9)

Self-explanatory.

Number 7

Article 45

Self-explanatory.

Number 8

Article 46

Letter a

Announcements in daily newspapers in Indonesian language circulated nationally, may be conducted in printed or electronic media.

Letter b

Self-explanatory.

Letter c

Self-explanatory.

Number 9

Article 47

Clause (1)

Letter a

Announcements in daily newspapers in Indonesian language circulated nationally, may be conducted in printed or electronic media.

Letter b.

Self-explanatory.

Letter c.

Self-explanatory.

Clause (2)

Self-explanatory.

Number 10

Article 48

Self-explanatory.

Number 11

Article 49

Self-explanatory.

Number 12

Article 50A

Clause (1)

"Net Assets Value" means the total Net Assets Value.

Clause (2)

In the process of liquidation conducted by the Investment Manager, profit or loss due to sales of Securities in the portfolio of liquidated Investment Funds remains possible, and become a part of events occurred after the reporting period in the Record of Financial Statement within the period of liquidation.

Article 50B

Self-explanatory.

Number 13

Self-explanatory.

Number 14

Article 67A

Clause (1)

Multi-class features are known as share class

Clause (2)

Distinguishing features of the multi-class with administrative character are among others:

- a. amount of fee;
- b. distribution pattern of investment results; and
- c. minimum amount of subscription and/or redemption of Participation Unit of Mutual Funds.

Clause (3)

Self-explanatory

Clause (4)

Letter a

Self-explanatory.

Letter b

Self-explanatory.

Letter c

Integrated investment management system is known as S-INVEST.

Letter d

Self-explanatory.

Letter e

Self-explanatory.

Clause (5)

Self-explanatory.

Article 67B

Self-explanatory.

Number 15

Self-explanatory.

Number 16

Article 67C

Self-explanatory.

Article 67D

Letter a

Self-explanatory.

Letter b

The best attempts from the Investment Manager to maintain the interests of the Participation Unit holders of Non-Publicly Offered Funds may be conducted, among others, by taking the responsibility for the execution of duties and responsibilities of the Investment Manager to its managed Funds (stewardship principle) in accordance with the provisions of the Regulation of Financial Services Authority concerning the Implementation of Corporate Governance for the Investment Manager, conducting negotiation with Target Company, hence the Participation Unit holders obtain the best way for settlement (win-win solution), requesting additional guarantees or changes of specific financial conditions in an agreement (*financial covenant*), or taking legal steps (if necessary). The rational considerations in this provision are obligated to take into account the provisions related to the rational reasons as referred to in the Regulation of Financial Services Authority concerning Guidelines of Conduct for Investment Manager.

Letter c

Periodic communication in this provision may be performed, among others, through written admonition, electronic mail, and/or other media.

Letter d

Self-explanatory.

Article 67E

Self-explanatory

Article 67F

Letter a

Self-explanatory

Letter b

The best steps from the Investment Manager to maintain the interests of the Participation Unit holders of Capital Protected Funds may be performed, among others, by taking responsibility for the execution of duties and responsibilities of the Investment Manager to its managed Funds (stewardship principle) in accordance with the provisions of the Regulation of Financial Services Authority concerning the Implementation of Corporate Governance for the Investment Manager, requesting additional guarantees or changes of specific financial conditions in an agreement (*financial covenant*) in the general meetings of Debt-Securities and/or corporate sukuk holders, or taking legal steps (if necessary). Rational considerations in this provision are obligated to take into account the provisions related to the rational reasons as referred to in the Regulation of Financial Services Authority concerning Guidelines of Conduct for Investment Manager.

Letter c

Periodic communication in this provision may be conducted, among others, through letter, electronic mail, and/or other media.

Letter d

Self-explanatory.

Letter e

Self-explanatory.

Letter f

Self-explanatory.

Article 67G

Self-explanatory.

Number 17

Article 76

Self-explanatory.

Article II

Self-explanatory.

ADDITIONAL STATE GAZETTE OF THE REPUBLIC OF INDONESIA NUMBER
32/OJK