

**ATTACHMENT:**

Decision of the Chairman of Capital  
Market and Financial Institutions  
Supervisory Agency (CMFISA)

Number : Kep-314/BL/2007

Date : 31 Agustus 2007

**RULE NUMBER II.K.1 : CRITERIA AND ISSUANCE OF LIST OF  
SHARIA BASED SECURITIES**

1. List of Sharia-based Securities is a list of Securities that are in compliance with Sharia Principles in the Capital Market, that is issued by Capital Market and Financial Institutions Supervisory Agency (CMFISA) or other Person acknowledged by CMFISA.
2. Securities that may be included in the List of Sharia-based Securities consist of:
  - a. Sharia-based securities issued by the Government of Indonesia;
  - b. Securities issued by the issuer who declares that its business activities as well as its business management are conducted based on the Sharia Principles in the Capital Market as clearly stated in its article of association;
  - c. Sukuk, including Sharia Bond that has been issued by the issuer before the enactment of this rule;
  - d. Sharia-based Asset backed Securities;
  - e. Securities in the form of shares, including sharia-based rights and sharia-based warrant, issued by the issuer who does not declare that its business activities as well as its business management are conducted based on Sharia Principles in the Capital Market, as long as the issuer fulfills the following criteria:
    - 1) The issuer does not conduct any business activities as referred to in item 2 letter a of Rule Number IX.A.13;
    - 2) The issuer does not conduct any trading that is not followed by transfer of products and or services;
    - 3) The issuer does not conduct any trading with a fake offer or demand; and
    - 4) The issuer does not exceed the following financial ratios:
      - a) the ratio of interest-based liabilities to total equity is no more than 82% (the ratio of interest-based liabilities to total equity is no more than 45% : 55%); and
      - b) the ratio of interest income and other non-sharia-based income to total revenue is no more than 10%; and
  - f. Sharia-based Securities issued overseas that are in compliance with the Sharia Principles in the Capital Market.

3. Other Person as referred to in item 5 letter a point 2) f) and item 5 letter b point 2) e) of Rule Number IX.A.13 may issue List of Sharia-based Securities, as long as the list:
  - a. does not contain Securities that has been included in the List of Sharia-based Securities issued by CMFISA; and
  - b. is prepared based on criteria that meet the requirements as referred to in item 2 of this rule.
4. In order to be the Person as referred to in item 3 of this rule, such Person must:
  - a. fulfill the following requirements:
    - 1) in the form of legal entity established in Indonesia;
    - 2) has human resources with sharia competency coming from inside or outside of the company;
    - 3) has standard operating procedure (SOP) for the List of Sharia-based Securities review;
    - 4) willing to follow the review conducted by CMFISA; and
  - b. submit an application to CMFISA.
5. The application as referred to in item 4 of this rule and the determination application of List of Sharia-based Securities must be accompanied with the following documents:
  - a. Documents regarding the applicant:
    - 1) copy of deed of establishment and its deed of addendum;
    - 2) copy of tax registration number of the applicant;
    - 3) list of employees who are competent in sharia together with their curriculum vitae;
    - 4) the appointment letter from the director of the applicant to the employees who are competent in sharia if such employees come from outside of the applicant's company;
    - 5) copy of standard operating procedure (SOP) for the List of Sharia-based Securities review;
    - 6) Statement letter from the applicant saying that such Party is willing to follow the review conducted by CMFISA.
  - b. Document regarding determination procedures of Securities to be included in the List of Sharia-based Securities:
    - 1) Securities that will be included in the List of Sharia-based Securities; and
    - 2) Working paper used in reviewing the securities included in the List of Sharia-based Securities which must contain criteria applied in the review including, but not limited to, the aqad and the scheme or structure of each Sukuk or other Sharia-based Securities included in the list.

6. CMFISA may ask for additional document and or information concerning the application as referred to in item 5 of this rule.
7. CMFISA may approve or refuse the application as referred to in item 5 of this rule.
8. Any Person as referred to in item 3 of this rule who issues List of Sharia-based Securities and publishes such list to the public must announce each change of the list at least in one Indonesian news paper that has nation wide circulation no later than the end of the second working day after the change occurs.
9. Person as referred to in item 3 of this rule who issues List of Sharia-based Securities must keep all document related to the Securities included in its List of Sharia-based Securities for at least 5 (five) years.
10. Any Person who issues Sharia-based Securities index or prepares List of Sharia-based Securities investment portfolio must use the List of Sharia-based Securities that has been prepared in accordance to this rule.
11. CMFISA has an authority to:
  - a. revoke the approval that has been given to the Party as referred to in item 3 of this rule, if in the future the violation is discovered; and or
  - b. compel Person that has received approval for issuing List of Sharia-based Securities to exclude the securities that do not fulfill the criteria as referred to in item 2 of this rule from the List of Sharia-based Securities that has been issued.
12. By no means undermining criminal stipulation in capital market, CMFISA may impose sanctions on any violation of this rule, as well as on any Party that causes the violations to occur.

Enacted in : Jakarta  
Date : 31 Agustus 2007

Chairman of Capital Market and  
Financial Institutions Supervisory  
Agency

Signed

**A. Fuad Rahmany**  
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Based on the original documents  
Head of General Affairs Division

Signed

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