

**MINISTRY OF FINANCE OF REPUBLIC OF INDONESIA
DECISION OF CHAIRMAN OF CAPITAL MARKET
AND FINANCIAL INSTITUTION SUPERVISORY AGENCY**

**DUPLICATE OF
DECISION OF CHAIRMAN OF CAPITAL MARKET AND FINANCIAL
INSTITUTION SUPERVISORY AGENCY
NUMBER: KEP-480/BL/2009**

**CONCERNING
GUIDELINES OF INVESTMENT MANAGERS FUNCTIONS IMPLEMENTATION
CHAIRMAN OF CAPITAL MARKET AND FINANCIAL INSTITUTION
SUPERVISORY AGENCY,**

- Considering :
- a. that in order to carry out its activities, investment managers need to possess and apply functions that support the improvement of quality and professionalism of investment managers and investor protection;
 - b. that based on the considerations referred to in letter a, it is deemed necessary to establish Decision of Chairman of Capital Market and Financial Institution Supervisory Agency Concerning Guidelines for Investment Managers Functions Implementation;
- In view of :
1. Law Number 8 of 1995 Concerning Capital Market (Statute Book Year 1995 Number 64, Supplement to the Statute Book Number 3608);
 2. Government Regulation Number 45 of 1995 Concerning Capital Market Organization (Statute Book Year 1995 Number 86, Supplement to Statute Book Number 3617) as amended by Government Regulation Number 12 of 2004 (Statute Book Year 2004 Number 27, Supplement to Statute Book Number 4372);
 3. Government Regulation Number 46 of 1995 Concerning Capital Market Examination (Statute Book Year 1995 Number 87, Supplement to Statute Book Number 3618);
 4. President of Indonesia Decree Number 45/M Year 2006;

HAS DECIDED:

To issue : **DECISION OF CHAIRMAN OF CAPITAL MARKET AND
FINANCIAL INSTITUTION SUPERVISORY AGENCY
CONCERNING GUIDELINES OF INVESTMENT
MANAGERS FUNCTIONS IMPLEMENTATION**

MINISTRY OF FINANCE OF REPUBLIC OF INDONESIA
CAPITAL MARKET AND FINANCIAL INSTITUTION SUPERVISORY AGENCY

Article 1

The provisions concerning the Guidelines of the Investment Manager Functions are stipulated in Rule No. V.D.11 set forth in the Attachment of this Decree.

Article 2

Securities companies which already have a license as an Investment Manager prior to the enactment of this Decree, shall comply with the provisions of Rule No. V.D.11 Attachment of this decree no later than one year after the enactment of this decree.

Article 3

This Decision shall become effective since issuance date.

Enacted in: Jakarta

Date : December 31, 2009

Chairman of Capital Market and Financial
Institution Supervisory Agency

Signed

A. Fuad Rahmany

NIP. 060063058

Based on the original documents

General Affair Division Head

Signed

Kristrianti Puji Rahayu

NIP 060089892

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**RULES NUMBER V.A.3 : GUIDELINES OF INVESTMENT MANAGERS
FUNCTIONS IMPLEMENTATION**

1. In conducting its work, the Investment Manager shall at least have and perform the following functions:
 - a. Investment;
 - b. Risk management;
 - c. Compliance;
 - d. Marketing;
 - e. Trading (dealing);
 - f. Settlement of securities transactions;
 - g. Investor complaints handling;
 - h. Research and information technology;
 - i. Human resource development; and
 - j. Accounting and finance.
2. Investment functions implementation as referred to in number 1 letter a of this rule shall meet the following requirements:
 - a. Investment functions implementation performed by employees who have individual licenses as an Investment Manager Representative from CMFISA; and
 - b. Investment functions implementation coordinated by the directors or employees who have individual licenses as an Investment Manager Representatives from CMFISA and have experience of working in the investment fields and fund management at least 3 (three) years.
3. Risk management functions implementation referred to in number 1 letter b of this rule shall meet the following requirements:
 - a. Risk management functions implementation are based on a risk management strategy which at least contain:
 - 1) identification of all the risks that may arise in company's activities;
 - 2) explanation about the causes of such risks occurrence;
 - 3) identification of the likelihood of such risks;
 - 4) explanation about the implications of such risks occurrence; and
 - 5) steps to be taken if the risks occur.
 - b. Risk management functions implementation are coordinated by the directors or employees who have individual licenses as an Investment Manager

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Representatives from CMFISA and have experience of working in Capital Market field and / or finance at least 3 (three) years.

4. Compliance functions implementation as referred to in number 1 letter c of this rule shall meet the following requirements:
 - a. Employees who perform compliance functions have access to all corporate documents in performing his duties; and
 - b. Compliance functions Implementation arranged by the directors or employees who have individual licenses as an Investment Manager Representatives from CMFISA and have experience of working in Capital Market field and / or finance at least 3 (three) years.
5. Marketing functions implementation as referred to in number 1 letter d of this rule shall be coordinated by the directors or employees who have individual licenses as Securities Company Representatives from CMFISA and have experience of working in Capital Market field and / or finance at least 2 (two) years .
6. Trade functions (dealing) implementation as referred to in number 1 letter e of this rule shall be coordinated by the directors or employees who have individual licenses as an Investment Manager Representatives from CMFISA and have experience of working in Capital Market field and / or finance at least 3 (three) years.
7. Securities transaction settlement functions implementation referred to in number 1 letter f of this rule shall be coordinated by the directors or employees who have individual licenses as Brokerage Representatives from CMFISA and have experience of working in Capital Market field and / or finance at least 3 (three) years old.
8. Investor's complaint handling functions implementation as referred to in number 1 letter g of this rule shall be coordinated by the directors or employees who have individual licenses as Securities Company Representatives or Investment Fund Sales Agent Representative from CMFISA and have experience of working in Capital Market field and / or finance at least 2 (two) years.
9. Research and information technology functions implementation as referred to in number 1 letter h of this rule shall be coordinated by the directors or employees who have experience of working in research and / or information technology at least 2 (two) years.
10. Human resource development functions implementation as referred to in number 1 letter i of this rule, shall meet the following requirements:
 - a. Human resource development functions implementation include recruitment, training, placement, technical capabilities improvement, and compliance enhancement in code of ethics and employee conduct standards; and
 - b. Human resources development functions implementation are coordinated by the directors or employees who have experience of working in human resource development field at least 2 (two) years.

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11. Accounting and finance functions implementation as referred to in number 1 letter j of this rule shall be coordinated by the directors or employees who have experience of working in accounting and finance at least 2 (two) years.
12. In terms of business activity are still affiliated with Underwriter and / or broker-dealer business activities in the same securities company, the SOP (standard operating procedures) for the implementation of each Investment Manager's function as set forth in this rule shall be separated with the SOP for each functions implementation of Securities Company as a Brokerage and Underwriter.
13. The Investment Manager shall separate the implementation between investment functions, the trading (dealing) functions and the Securities transaction settlement functions.
14. The Investment Manager shall separate the compliance functions implementation from the other investment manager's functions, unless the risk management functions implementation.
15. Compliance functions implementation must be independent from other investment manager's functions.
16. The Investment Manager must ensure that all functions implementation procedures referred to in number 1 letter a up to number 1 letter j of this rule are made and formalized in writing in form of guidelines (standard operating procedures) that must be adhered by all employees who perform these functions
17. Without limiting the authority of the Criminal Provisions in the Capital Market, Bapepam and LK has the authority to impose sanction on any Person that violates this Rule including to those who provoke the violation.

Enacted in: Jakarta

Date : December 31, 2009

Chairman of Capital Market and Financial
Institution Supervisory Agency

Signed

A. Fuad Rahmany

NIP. 060063058

Based on the original documents

General Affair Division Head

Signed

Kristrianti Puji Rahayu

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