

**MINISTRY OF FINANCE OF THE REPUBLIC OF INDONESIA
CAPITAL MARKET AND FINANCIAL INSTITUTIONS SUPERVISORY
AGENCY**

**DUPLICATE OF
DECISION OF CHAIRMAN OF CAPITAL MARKET
AND FINANCIAL INSTITUTIONS SUPERVISORY AGENCY
NUMBER: KEP-493/BL/2008**

CONCERNING

**GUIDELINES FOR ASSET BACKED SECURITIES COLLECTIVE
INVESTMENT CONTRACTS**

**CHAIRMAN OF CAPITAL MARKET AND FINANCIAL INSTITUTIONS
SUPERVISORY AGENCY,**

- Considerin
g :
- a. that in order to provide legal certainty for Assets Backed Securities as one of securities in capital market and to spearhead the development of the Assets Backed Securities, it is deemed necessary to develop legal framework that is in line with characteristics of Assets Backed Securities industry;
 - b. that based on the consideration referred to in item a above, it is deemed necessary to revise Rule Number IX.K.1 Attachment of Decision of The Chairman of Capital Market Supervisory Agency Number Kep-28/PM/2003 concerning Guidelines For Asset Backed Securities Collective Investment Contracts;
- 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 to Government Regulation Number 12 of 2004 (Statute Book Year 2004 Number 2007, Supplement to Statute Book Number 4327);
 3. Government Regulation Number 46 of 1995 Concerning Capital Market Formal Investigative Procedure (Statute Book Year 1995 Number 87, Supplement to Statute Book Number 3618);
 4. President of Indonesia Decree Number 45/M of 2006;

HAS DECIDED:

To issue : **DECISION OF THE CHAIRMAN OF CAPITAL MARKET
AND FINANCIAL INSTITUTIONS SUPERVISORY
AGENCY CONCERNING GUIDELINES FOR ASSET**

BACKED SECURITIES COLLECTIVE INVESTMENT CONTRACTS

Article 1

Provisions in item 2 in rule Rule Number IX.K.1 concerning Guidelines For Asset Backed Securities Collective Investment Contracts Attachment of Decision of The Chairman of Capital Market Supervisory Agency Number Kep-493/PM/2008 dated July 21, 2003 has been revise to state:

“Assets for the portfolio of an Asset Backed Security shall be acquired from the Originator through true sale transaction with the Asset Backed Securities Collective Investment Contract.”

Article 2

- (1) 2 (two) separate provisions are inserted between item 2 and 3 of Rule Number IX.K.1 concerning Guidelines For Asset Backed Securities Collective Investment Contracts Attachment of Decision of The Chairman of Capital Market Supervisory Agency Number Kep-493/PM/2008 dated July 21, 2003 to state:
 3. In case where transfer of financial assets as the results of transaction between Originator and Asset Backed Securities in the form of Collective Investment Contract as referred to in item 2 of this rule is intended to satisfy accounting requirements of true sale, such transfer must satisfy generally accepted accounting principles regarding true sale. Measures to satisfy true sale requirements must be taken consistently and supported by opinions from an Accountant registered with Bapepam LK.
 4. In case where assets for Asset Backed Securities portfolio is acquired from an Originator by way of true sale transaction with Asset Backed Securities whose issuance is based on assets that have been transferred from the Originator, the Originator can only engage in the true sale transaction no more than 10% (ten percent) from the total amount of the assets that have been transferred.
- (2) Numbering format in Rule Number IX.K.1 concerning Guidelines For Asset Backed Securities Collective Investment Contracts Attachment of Decision of The

Chairman of Capital Market Supervisory Agency Number Kep-28/PM/2003 dated July 21, 2003 is revised as the results of insertion of new provision referred to in item (1) which is item 3 to item 11 have been rearranged as item 5 to item 12.

Article 3

A new provision is inserted following item 10 of Rule Number IX.K.1 concerning Guidelines For Asset Backed Securities Collective Investment Contracts Attachment of Decision of The Chairman of Capital Market Supervisory Agency Number Kep-28/PM/2003 dated July 21, 2003 and numbering format for such provision has also been adjusted as the results of insertions and numbering format adjustment referred to in item 2, that states:

13. By no means undermining criminal stipulation in capital market, Bapepam LK may impose sanction on any violations of this rule, as well as on any Person that causes the violation to occur.

Article 4

With the revision as referred to in article 1 of this Decision and addition as referred to in article 2 and 3 of this Decision, the entire Rule Number IX.K.1 concerning Guidelines For Asset Backed Securities Collective Investment Contracts Attachment of Decision of The Chairman of Capital Market Supervisory Agency Number Kep-28/PM/2003 dated July 21, 2003 is as stipulated by this Decision.

Article 5

This Decision shall become effective since the date of its promulgation.

In order that all may be informed, this Decision shall be promulgated by publication in the State Gazette of the Republic of Indonesia.

Enacted in : Jakarta
Date : November, 25, 2008

Chairman Of Capital Market and Financial
Institutions Supervisory Agency

Signed

A. Fuad Rahmany
NIP 060063058

Based on the original documents

signed

Prasetyo Wahyu Adi Suryo
NIP 060076008

ATTACHMENT :

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

Number : Kep-493/BL/2008

Date : 25 November 2008

**RULES NUMBER IX.K.1 : GUIDELINES FOR ASSET BACKED
SECURITIES COLLECTIVE INVESTMENT
CONTRACTS**

1. Definition:

- a. A Collective Investment Contract is an agreement between an Investment Manager and a Custodian Bank that binds participating unit-holders and that authorizes the Investment Manager to manage the collective investment portfolio and the Custodian Bank to provide Collective Custody services.
- b. An Asset Backed Security is a participation unit of a Collective Investment Contract with a portfolio that consists of financial assets comprise of claims arising from commercial papers, credit card receivables, future receivables, loans including homes or apartment mortgages, debt securities guaranteed by the Government, credit/cash flow enhancement, as well as financial assets equivalent and other financial assets related to the aforementioned financial assets.
- c. Fixed Cash Flow Asset Backed Securities are Asset Backed Securities that give the investors certain income similar to those received by debt securities holders.
- d. Variable Cash Flow Asset Backed Securities are Asset Backed Securities that give the investors uncertain income similar to those received by equity securities holders
- e. Credit/Cash Flow Enhancements are means for improving the quality of a Collective Investment Contract portfolio with respect to the payments to holders of Asset Backed Securities, including:
 - 1) subordination of one class of Asset Backed Securities to another class within the same Collective Investment Contract;
 - 2) a letter of credit;

- 3) a guarantee fund;
 - 4) a reserve for bad debts;
 - 5) insurance;
 - 6) guarantee on rates of return;
 - 7) a guarantee on liquidity at the time of maturity;
 - 8) a guarantee on tax payments;
 - 9) an option; or
 - 10) a swap on interest rates or foreign currency exchange rates.
- f. An Originator is a Person that has transferred its financial assets to holders of Assets Backed Securities collectively whereby the assets are obtained by the Person by way of lending, selling, of offering other services with regard to its business activities;
- g. A Servicer is a Person who is responsible to process and supervise the payments that are made by debtors, initiate actions against debtors that fail to meet their obligation, negotiate and settle claims against debtors and perform other services specified in the contract.
- h. Asset Backed Securities Disclosure Document is a written statement by the Investment Manager within the last 12 (twelve) months, containing all material information regarding an Asset Backed Security, that is given to each prospective investor before such person becomes a holder of such Security.
2. Assets for the portfolio of an Asset Backed Security shall be acquired from the Originator through true sale transaction with the Asset Backed Securities Collective Investment Contract.
 3. In case where transfer of financial assets as the results of transaction between Originator and Asset Backed Securities in the form of Collective Investment Contract as referred to in item 2 of this rule is intended to satisfy accounting requirements of true sale, such transfer must satisfy generally accepted accounting principles regarding true sale. Measures to satisfy true sale requirements must be taken consistently and supported by opinions from an Accountant registered with Bapepam LK.
 4. In case where assets for Asset Backed Securities portfolio is acquired from an Originator by way of true sale transaction with Asset Backed Securities

whose issuance is based on assets that have been transferred from the Originator, the Originator can only engage in the true sale transaction no more than 10% (ten percent) from the total amount of the assets that have been transferred.

5. Assets for the Asset Backed Securities portfolio acquired by the Investment Manager and registered in the name of the Bank Custodian on behalf of owners of the Asset Backed Securities must be supported by an opinion of a Legal Consultant that is registered with Bapepam certifying that the rights of the Asset Backed Securities holders are the same as what has been stated in the Asset Backed Securities Disclosure Document.
6. Prospective purchasers of Asset Backed Securities must sign a statement declaring that they have received and read the Asset Backed Security Disclosure Document before purchasing such Securities.
7. The Asset Backed Security Collective Investment Contract may:
 - a. contain different classes or no different classes whatsoever of Asset Backed Securities with different rights. Such differences may be based on matters such as:
 - 1) the sequence and timing of payments to holders of the Asset Backed Securities;
 - 2) the classes of Fixed Cash Flow Asset Backed Securities;
 - 3) provisions that payments to specified Asset Backed Securities will be made from interest or from other cash flows;
 - 4) provisions that payments to specified Asset Backed Securities will be made from principal;
 - 5) provisions regarding accelerated payments to specified Asset Backed Securities because of specified conditions;
 - 6) provisions that payments may change in accordance with interest rates or other market criteria;
 - 7) provisions regarding the level of guarantees or prior claims on the financial assets or the cash flow of the Collective Investment Contract; and
 - 8) provisions regarding limited guarantees on payments to specified classes of Asset Backed Securities.

- b. provide terms under which the Asset Backed Securities of a specified class may be transferred to other Persons;
 - c. provide for liquidation of the Asset Backed Securities Collective Investment Contract including the disbursement of the financial assets to some or all classes of Asset Backed Securities holders at a specific time or under certain conditions;
 - d. determine that there is or there is no:
 - 1) insurance for the financial assets in the portfolio for various types of risks, such as credit risks;
 - 2) credit rating of some or all classes of the Asset Backed Securities;
 - 3) guarantees from third Persons;
 - 4) credit or cash flow enhancements;
 - 5) retention and reinvestment of certain cash flows of the Collective Investment Contract portfolio; and
 - 6) issuance of additional Asset Backed Securities that may be owned by new investors or holders of previously issued Asset Backed Securities.
8. The Asset Backed Securities Collective Investment Contract must include:
- a. name of the Servicer that provides services for the financial assets in the Collective Investment Contract portfolio and specify its responsibilities;
 - b. name of the Securities Rating Agency if the Asset Backed Securities are to be offered through a Public Offering
 - c. name of the registered Accountant that is appointed to audit the financial statements at least each year;
 - d. name of the registered Legal Consultant that is appointed to provide legal opinions with respect to transfers of financial assets into the Collective Investment Contract portfolio;
 - e. a provision regarding the time period of the Asset Backed Security Collective Investment Contract;

- f. provisions regarding any restrictions from selling the Asset Backed Securities back to the Investment Manager and or the Bank Custodian that represents the holders of the Asset Backed Securities;
 - g. provisions regarding replacement of the Investment Manager, Bank Custodian, Accountant, Servicer, Rating Agency, Legal Consultant, Notary and other Persons that are related with the Asset Backed Securities Collective Investment Contract; and
 - h. remuneration that is received by Persons that are referred to in number 7 letter g above.
9. Asset Backed Securities Collective Investment Contract must be constructed into a document notarized by a Notary that is registered with Bapepam.
10. In the case whereby the Asset Backed Securities are not offered through a Public Offering, the Investment Manager is not required to submit a Registration Statement to Bapepam. The Investment Manager, however, must submit the following documents no later than 10 (ten) days after the date of the signing of the Collective Investment Contract:
- a. Asset Backed Securities Disclosure Document;
 - b. Collective Investment Contract; and
 - c. a specimen Asset Backed Securities certificate.
11. Each Asset Backed Securities Collective Investment Contract must be given the same name as the Investment Manager with the words "ASSET BACKED SECURITY COLLECTIVE INVESTMENT CONTRACT" and a number that has been given by the Investment Manager, with the following provisions:
- a. if the Investment manager is changed, the name of the Asset Backed Securities Collective Investment Contract must be changed in conformance with the name of the new Investment Manager
 - b. if there is more than one class of Asset Backed Securities, each class must be identified with a capital letter and an indication that identifies each class. For example if such class is in the form of "Fixed Cash Flow Asset Backed Securities or Variable Cash Flow Asset Backed Securities"; and
 - c. name of the Asset Backed Securities must also include the type of financial assets in the Collective Investment Contract portfolio.

12. Asset Backed Securities shall be evidenced by certificates that may be issued in collective form. Such certificates shall contain:
 - a. name of the Asset Backed Securities as referred to in number 10 of this rule;
 - b. name of the Asset Backed Securities holder;
 - c. number of Asset Backed Securities represented;
 - d. a brief description of material rights attached to the class of Asset Backed Securities;
 - e. a brief description regarding the Asset Backed Securities Collective Investment Contract such as the type of assets in the portfolio;
 - f. schedule of payments;
 - g. name and address of the Investment Manager;
 - h. a statement by the Investment Manager regarding the latest available Asset Backed Securities Disclosure Documents;
 - i. name and address of the Bank Custodian;
 - j. name and address of the Securities Administration Agency, if any, and
 - k. date, location and name of the Notary that made the Asset Backed Securities Collective Investment Contract.

13. By no means undermining criminal stipulation in capital market, Bapepam LK may impose sanction on any violations of this rule, as well as on any Person that causes the violation to occur.

Enacted in : Jakarta
Date : November, 25, 2008

Chairman of Capital Market and Financial
Institutions Supervisory Agency

Signed

A. Fuad Rahmany
NIP. 060063058

Based on the original documents
Head of General Affairs Division

Signed

Prasetyo Wahyu Adi Suryo
NIP 060076008