

MINSITRY OF FINANCE OF REPUBLIC OF INDONESIA
CAPITAL MARKET SUPERVISORY AGENCY

DUPLICATE OF
DECISION OF CHAIRMAN OF CAPITAL MARKET SUPERVISORY AGENCY
NUMBER: KEP-47/PM/2004

CONCERNING

GUARANTEE FUND

CHAIRMAN OF CAPITAL MARKET SUPERVISORY AGENCY,

Considering : that in order to strengthen financial condition and operational capability of the Clearing Guarantee Institution in performing the function of Exchange Transaction clearing and settlement guarantee, it is deemed necessary to revise the Decision of Chairman of Capital Market Supervisory Agency Number Kep-26/PM/2000 concerning Guarantee Fund.

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 3618);

3. Government Regulation Number 46 of 1995 Concerning Capital Market Organization (Statute Book Year 1995 Number 87, Supplement to Statute Book Number 3618);

4. Ministry of Finance Decree Number 530/KMK.01/2004 concerning The Third Amendment of Ministry of Finance Decree Number 446/KMK.01/1983 concerning The Appointment of **Pejabat Pengganti** in Ministry of Finance;

HAS DECIDED:

To issue : **DECISION OF CHAIRMAN OF CAPITAL MARKET SUPERVISORY AGENCY CONCERNING GUARANTEE FUND.**

MINSITRY OF FINANCE OF REPUBLIC OF INDONESIA
CAPITAL MARKET SUPERVISORY AGENCY

Article 1

Provisions concerning Guarantee Fund are regulated in Rule Number III.B.7 as stipulated in the attachment of this Decision

Article 2

With the enactment of this Decision, the Decision of Chairman of Capital Market Supervisory Agency Number Kep-26/PM/2000 dated June 30, 2000 is declared revoked.

Article 3

This Decision shall become effective since the date of its promulgation

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

Enacted in : Jakarta
Date : December 9, 2004

Acting as Chairman Of Capital Market Supervisory
Agency

Signed

Darmin Nasution
NIP. 130605098

Based on the original documents
Executive Secretary

Wahyu Hidayat
NIP 0600

RULE NUMBER III.B.7 : GUARANTEE FUND

1. Definitions
 - a. Exchange Transaction Settlement Guarantee is the obligation of Clearing Guarantee Institution to immediately and directly take over the responsibility of any clearing member, which fails to fulfill its obligation with regard to Exchange Transaction Settlement and to settle the transaction in the same time and terms required for the respective clearing member.
 - b. Guarantee Fund is a pool of fund and or Securities administrated and managed by Clearing Guarantee Institution, which can be used to pay for Exchange Transaction Settlement Guarantee by Clearing Guarantee Institution.
2. Guarantee Fund may only be used by Clearing Guarantee Institution to fulfill the Exchange Transaction Settlement Guarantee if the source of funds referred to in item 6 letter a, letter b, letter c, and letter d Rule Number III.B.6 concerning Exchange Transaction Settlement Guarantee, have been utilized but is not adequate to settle the obligation of any default clearing member.
3. Clearing members must deposit cash for Guarantee Fund contribution that can not be withdrawn in order to guarantee the smoothness and safety of the exchange transaction settlement, with the provisions as follow :
 - a. The amount of contribution is 0.01% (one per ten thousand) from every value of Exchange Transaction guaranteed by Clearing Guarantee Institution.
 - b. For Futures transaction, Clearing member must deposit cash in the amount of 0,005% (five per one hundred thousand) from every value of Futures transaction.
 - c. For bond transaction, Clearing member must deposit cash in the amount of 0,00125% (one hundred and twenty five per ten million) from every value of bond transaction.
 - d. The contribution must be deposited no later than the Exchange Transaction settlement day through Clearing Guarantee Institution.
 - e. In case the Exchange Transaction is conducted for the interest of Clearing member's client, the respective Clearing member must collect the contribution from the client.
 - f. In case the Exchange Transaction is conducted for Clearing members' portfolio, the contribution must be paid by the Clearing members.
4. Guarantee Fund does not belong to any certain Person and is not distributed to anyone for any interest except for the objectives stated in this rule.
5. Guarantee Fund Management
 - a. Clearing Guarantee Institution must manage the Guarantee Fund.
 - b. If Bapepam considers that the Clearing Guarantee Institution does not have the competence to manage the guarantee fund and cannot continue its function or there is no other Person who is able to take over the function and responsibility

of the Clearing Guarantee Institution, the guarantee fund will be submitted to the Indonesian Government.

6. Any utilization of Guarantee Fund is intended for settling the obligation of Clearing Guarantee Institution and the guarantee must be repaid within 1 (one) year by the credit network members, as referred to in item 6 letter g Rule Number III.B.6 concerning Exchange Transaction Settlement Guarantee in case the guarantee fund cannot be realized from the outcome of asset sales of the default clearing member.
7. Guarantee Fund may only be invested in the Indonesian Government Bond and or bank time deposit whose composition is subject to the approval of credit policy and risk management committee. Income derived from Guarantee Fund investment must be added to the Guarantee Fund after deducted by cost of investment management to Clearing Guarantee Institution as referred to in item 12 of this rule.
8. The directors of Clearing Guarantee Institution must report monthly to Bapepam regarding the guarantee fund financial position, using the same accounting principles and method used by Investment Fund no later than the 15th (fifteenth) day of the next month with carbon copy to Credit Policy and Risk Management Committee and The Commissioners of Clearing Guarantee Institution.
9. Guarantee Fund is not included to the Financial Report of Clearing Guarantee Institution and must be reported separately.
10. Annual financial report of Fund Guarantee must be arranged by Clearing Guarantee Institution and audited by Accountant registered with Bapepam and reported by Clearing Guarantee Institution to Bapepam no later than 60 (sixty) days after the end date of year book.
11. Guarantee Fund must be deposited in the Securities Account at the Custodian Bank that has been approved by credit policy and risk management committee of Clearing Guarantee Institution.
12. Clearing Guarantee Institution may impose cost of investment management services amounting 10% (ten per cent) from the gross income of Guarantee Fund investment after tax.

Bapepam may determine other lower amount with consideration of Clearing Guarantee Institution financial condition.
13. The cost of accounting service and financial report audit of Guarantee Fund is charged to the Guarantee Fund and Clearing Guarantee Institution must seek for approval from Guarantee Fund credit policy and risk management committee regarding the amount of cost.
14. Without limiting the authority of the Criminal Provisions in the Capital Market, Bapepam has the authority to impose sanction on any Person that violates this Rule including to those who provoke the violation.

ATTACHMENT:
Decision of the Chairman of Bapepam
Number : Kep-47/PM/2004
Date : December 9, 2004

Authorized in Jakarta
On December 9, 2004
Chairman of Capital Market Supervisory
Agency

Signed

Darmin Nasution
NIP 130605098

As the original document
Secretary

Wahyu Hidayat
NIP 0600