

DUPLICATE OF
A DECREE OF THE MINISTER OF FINANCE OF THE REPUBLIC OF INDONESIA
NUMBER: 179/KMK-010/2003

CONCERNING

SHARE OWNERSHIP AND EQUITY OF SECURITIES COMPANY

THE MINISTER OF FINANCE OF THE REPUBLIC OF INDONESIA

- Considering :
- a. that in order to establish an orderly, fair and efficient Capital Market and also competitive in free trade area, it is necessary to improve the performance of Securities Company such as service quality, the quality of human resource, the compliance to regulation and quality of back office system;
 - b. That to improve the performance of Securities Company, it is necessary to strengthen financial condition and operational capability of Securities Company through the increasing of its Paid in Capital.
 - c. That the increasing paid in Capital of Securities Company is suit with General Principles of International Organization of Securities Commission (IOSCO), which state that there must be continuous increase of requirements as Securities Company with certain concern on prudential principles, such as Initial and Maintained Capital Structure in relation to the increasing risk potential that is risked by Securities Company.
 - d. With respect to considerations in point a, b, and c as stated above, it is necessary to regulate Share Ownership and Equity of Securities Company by a Decree of the Minister of Finance

- 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);
 3. Government Regulation Number 46 of 1995 Concerning Capital Market Organization (Statute Book Year 1995 Number 87, Supplement to Statute Book Number 3618);
 4. President of Indonesia Decree Number 228/M Year 2001;

HAS DECIDED TO ISSUE:

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Article 1

Definition of terms used in this Decree:

- 1) Foreign Investor is an individual who is a foreign citizen or a foreign legal entity.
- 2) A Domestic Investor is an individual who is an Indonesian citizen or an Indonesian legal entity.
- 3) Administrating Client's Securities Account is activity of opening Clients Securities account, transferring Client's Securities Account, and saving Client's Securities Account.

Article 2

- 1) The shares of Joint Venture Securities Company may be owned by Foreign Legal Entity which operates in financial area, except securities industry, not more than 85 % (*eighty five per cent*) of paid in capital.
- 2) The shares of Joint Venture Securities Company may be owned by Foreign Legal Entity, which operates in securities industry, that has been granted business license or under supervision of Capital Market regulators in its country origin, not more than 99 % (*ninety nine per cent*) of paid in capital.

Article 3

- 1) In the events of local or joint Venture Securities Company carries out Public Offering, then the shares of the respective Securities Company may be wholly owned by Local Investors or Foreign Investors.
- 2) Foreign Investor as mentioned in point (1) may be Foreign Investors who do not operate in financial area.

Article 4

- 1) Securities Company that conducts activity as Securities Underwriter shall have paid in Capital not less than Rp 50.000.000.000,- (Fifty billion Rupiahs)

- 2) Securities Company that conducts activity as Securities Broker which administrates Client Securities Account shall have paid in Capital not less than Rp 30.000.000.000,- (Thirty billion Rupiahs)
- 3) Securities Company that conducts activity as Securities Broker which does not administrate Client Securities Account shall have paid in Capital not less than Rp 500.000. 000,- (Five hundred million Rupiahs)
- 4) Securities Company that conducts activity as Investment Manager shall have paid in Capital not less than Rp 5.000.000.000,- (Five billion Rupiahs)
- 5) Securities Company that conducts activity as Securities Underwriter and Investment Manager shall have paid in Capital not less than Rp 55.000.000.000,- (Fifty Five billion Rupiahs)
- 6) Securities Company that conducts activity as Securities Broker which administrates Client Securities Account and Investment Manager shall have paid in Capital not less than Rp 35.000.000.000,- (Thirty Five billion Rupiahs)

Article 5

- 1) For Securities Company that conducts activity as Securities Underwriter and has already been granted business license by Bapepam before the effectiveness of this Decree of the Minister of Finance, shall adjust with the provisions as regulated in Article 4 point (1), with provisions as follows:
 - a. no later than December 31, 2003 shall have Paid in Capital not less than Rp 25.000.000.000,00 (Twenty Five billion Rupiahs)
 - b. no later than December 31, 2004 shall have Paid in Capital not less than Rp 50.000.000.000,00 (Fifty billion Rupiahs)
- 2) For Securities Company that conducts activity as Securities Broker which administrates Client Securities Account and has already been granted business license by Bapepam before the effectiveness of this Decree of the Minister of Finance, shall adjust with the provisions as regulated in Article 4 point (2), with provisions as follows:
 - a. no later than December 31, 2003 shall have Paid in Capital not less than Rp 15.000.000.000,00 (Fifteen billion Rupiahs)
 - b. no later than December 31, 2004 shall have Paid in Capital not less than Rp 30.000.000.000,00 (Thirty billion Rupiahs)
- 3) For Securities Company that conducts activity as Investment Manager and has already been granted business license by Bapepam before the effectiveness of this Decree of the Minister of Finance, shall adjust with the provisions as regulated in Article 4 point (4), with provisions as follows:

- a. no later than December 31, 2003 shall have Paid in Capital not less than Rp 3.000.000.000,00 (Three billion Rupiahs)
 - b. no later than December 31, 2004 shall have Paid in Capital not less than Rp 5.000.000.000,00 (Five billion Rupiahs)
- 4) For Securities Company that conducts activity as Securities Underwriter and Investment Manager which has already been granted business license by Bapepam before the effectiveness of this Decree of the Minister of Finance, shall adjust with the provisions as regulated in Article 4 point (5), with provisions as follows:
- a. no later than December 31, 2003 shall have Paid in Capital not less than Rp 28.000.000.000,00 (Twenty Eight billion Rupiahs)
 - b. no later than December 31, 2004 shall have Paid in Capital not less than Rp 55.000.000.000,00 (Fifty Five billion Rupiahs)
- 5) For Securities Company that conducts activity as Securities Broker which administrates Client Securities Account and Investment Manager and has already been granted business license by Bapepam before the effectiveness of this Decree of the Minister of Finance, shall adjust with the provisions as regulated in Article 4 point (5), with provisions as follows:
- a. no later than December 31, 2003 shall have Paid in Capital not less than Rp 18.000.000.000,00 (Eighteen billion Rupiahs)
 - b. no later than December 31, 2004 shall have Paid in Capital not less than Rp 35.000.000.000,00 (Thirty Five billion Rupiahs)

Article 6

With the enactment of this decree of the minister of Finance, the decree of the Minister of Finance Number 90/KMK.010/2001 is declared revoked.

Article 7

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

Issued in : Jakarta
Date : May 5, 2003

MINISTER OF FINANCE

Signed

BOEDIONO

Based on the original documents
HEAD OF GENERAL AFFAIRS BUREAU
For
DEPARTMENT ADMINISTRATION DIVISION HEAD

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