

Committee of Indonesian Capital Market Board of Arbitration Establishment

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The pace of Indonesian Capital Market development is quite dynamic and fast. On the other hand, the industry of capital market has its own distinctive mechanism and character that only the market participants and parties involved within the industry itself are fully understand.

Along with this dynamic progress of business in capital market, more complex dispute among market participants will likely to appear. Therefore, the industry feels the need to address this kind of dispute to an alternative arrangement that would meet with requirements from market participants to settle the matter. Simplification of dispute complexity in capital market becomes quite an urgent matter for the activities of capital market to run smoothly.

With regard to provide an alternative arrangement to reach a fast, transparence, independent, and fair settlement on capital market dispute, Committee of Indonesian Capital Market Board of Arbitration Establishment compose of Bapepam, SROs (PT. JSX, PT. SSX, PT. ICGC, PT. ICSD), Association of Legal Consultant of Indonesian Capital Market, market participants, and legal experts sign an agreement on the establishment of Indonesian Capital Market Board of Arbitration on August 9th, 2002 at Graha Sawala Main Building of Ministry of Finance of The Republic of Indonesia. Therefore, today, BAPMI (Indonesian Capital Market Arbitration Council) is declared to be officially established.

In fact, Bapepam, SROs, Association of Indonesian Securities Firm, Association of Indonesian Legal Consultant, and Society of Indonesian Securities Investor came up with this idea of establishing this arbitration as part of their program two years ago. With regard to carry out the program, Bapepam along with HKHPM and SROs takes the initial steps to prepare the establishment of BAPMI which will involve all market participants and legal experts.

The nature of BAPMI as a legally body approved by Ministry of Justice and Human Rights of Indonesia was chosen after had been carefully considered legal aspects as a consequence of its member's legal nature and that of third party's also. Base on the agreement of whole market participants put down on Agreement Certificate of BAPMI Establishment, the participants delegates their partaking to SROs namely PT. JSX, PT. BES, PT. ICGC, and PT. ICSD therefore not all associations with regard to capital market become the founder of BAPMI. Nevertheless, subsequent to BAPMI legalization by Ministry of Justice and Human Rights of Indonesia, the whole market participants will be added into the Agreement Certificate as members of BAPMI. All members of BAPMI that will be included through this manner will have same rights and obligations.

In general, all principal provisions in Establishment Certificate of BAPMI can be read at this Press Release attachment. And the first supervisory board and committee composition of BAPMI has also been formed as follows:

1. Distinguished Board : Kartini Muljadi, Hoesen Wiriadinata, Soemarjono Soemarto, Erry Firmansyah, dan Hikmahanto Juwana.
2. Committee:
 - Chairman : A Zen Umar Purba
 - Vice Chairman : Abdurachim Husein
 - General Secretary : Felix O. Soebagjo
 - Vice General Secretary : Erry TP Hidayat
 - Secretary : Arda Billy

- Treasurer : Hary Purwanto
- Vice Treasurer : Daniek E.Tribuwana

The committee will appoint arbitrator of BAPMI after legally body has been formed base on criteria such as professionalism, capacity, credibility, and integrity.

Furthermore, at this moment, a team for constituting BAPMI's Establishment Committee compose of legal experts is at the final stage in constructing Regulation and Arbitration Procedure of BAPMI, Regulation and Binding Hearing Procedure, and Alternative Procedure of Dispute Settlement of BAPMI and is expected to finish them shortly.

Secretariat Office of BAPMI is located at Tower II, 6th Floor of JSX Building, Jl. Jend. Sudirman Kav. 52-53. Secretariat office is immediately available due to generosity of one of the member of BAPMI, however this is just a temporary until BAPMI can finance its own office. Although, BAPMI receives the generosity from one of its member, BAPMI will remain independent since arbitrator will be chosen from the members who possess high standard of integrity and credibility in society, especially capital market society. The arbitrators will then make decision to settle dispute that is submitted to BAPMI. Owing reputable arbitrator, it is expected that BAPMI will make accountable decisions.

This specific Arbitration to settle capital market dispute is expected to provide an alternative arrangement for market participants to take advantage of this legally body. In order to this board to run effectively and efficiently, it will require a strong commitment from market participants in the establishment and development of this Arbitration.

For public notice.