

PRESS RELEASE ON ISSUANCE OF BAPEPAM RULES

On Friday, 28 May 2004, Bapepam issued 2 (two) rules which are the improvement of former rules, i.e. Bapepam Rule Number VIII.G.8 concerning Accounting for Investment Fund and Bapepam Rule Number IX.C.6 concerning the Form and Content of Prospectus for Public Offering of Investment Fund.

Bapepam Rule Number VIII.G.8 concerning Accounting for Investment Fund was revised in order to increase the disclosure quality and administration disciplines of Investment Fund management. Meanwhile, Bapepam Rule Number IX.C.6 concerning the Form and Content of Prospectus for Public Offering of Investment Fund was revised to enhance the information and disclosure quality of Investment Fund Prospectus so that the prospectus is in harmony with the international standard, to position prospectus as education vehicle for investors, and to renew the prospectus efficiently.

Some prominent matters which were revised in Bapepam Rule Number VIII.G.8 concerning Accounting for Investment Fund were including the following:

1. The replacement of forms attached to Rule Number VIII.G.8 to become forms attached to Rule Number X.D.1 because basically Rule Number VIII.G.8 is the guideline for completion of form attached to Rule Number X.D.1;
2. The obligation to make allowance for doubtful dividend receivable in case there were uncollectible dividend receivable and default; and
3. The obligation of daily expense allocation on management fee, custodian fee, and other fees related to open investment fund.

Meanwhile, revisions on Bapepam Rule Number IX.C.6 concerning the Form and Content of Prospectus for Public Offering of Investment Fund include the following issues:

1. The obligation to include some important terms and definitions in Investment Fund area;
2. The omission of summary requirement;
3. The requirement of including information on matters related with Investment Fund management, such as investment objectives and policies, expenses allocation and procedures for purchasing or redemption of shares or Investment Fund Participation Unit, and Investment Fund liquidation;
4. The requirement of putting the Fair Value Calculation Method of Securities in the Investment Fund portfolio;
5. The obligation to establish renewed prospectus in the event there were changes in material facts of Investment Fund by inserting the information in the prospectus rather than establishing new prospectus.

Jakarta, 28 May 2004

Capital Market Supervisory Agency

On behalf of Chairman

Director of Regulation and Legal Counsel Bureau

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