

**A DECREE OF
THE MINISTER OF FINANCE OF THE REPUBLIC OF INDONESIA**

NUMBER 647/KMK.010/1995

CONCERNING

FOREIGN OWNERSHIP OF SECURITIES COMPANIES

THE MINISTER OF FINANCE OF THE REPUBLIC OF INDONESIA

CONSIDERING: that with the effectiveness of Law No. 8 Year 1995 regarding the Capital Market, it will be necessary to determine limitations on the ownership of shares of Securities Companies by Foreign Investors by a Decree of the Minister of Finance;

IN VIEW OF:

1. Law No. 8 Year 1995 on Capital Market (Statute Book Year 1995 No. 64, Supplement to Statute Book No. 3608);
2. Government Regulation No. 45 Year 1995 on The Implementation of Operations in the Capital Market (Statute Book Year 1995 No. 86, Supplement to Statute Book No. 3617);
3. Government Regulation No. 46 Year 1995 on The Inspection Procedures in the Capital Market (Statute Book Year 1995 No. 87, Supplement to Statute Book No. 3618);

HAS DECIDED TO ISSUE:

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Article 1

Definition of terms used in this Decree:

- 1) A Foreign Investor is an individual who is a foreign citizen or a foreign legal entity.
- 2) A Local Investor is an individual who is an Indonesian citizen or an Indonesian legal entity.

Article 2

- 1) The shares of a Securities Company operating as a jointventure may be owned by a foreign legal entity up to a maximum of eighty five percent of the paid-in capital.
- 2) A foreign legal entity referred to in item (1) is a legal entity that operates in the financial sector.

Article 3

In the event that a National Securities Company or a Securities Company operating as a joint-venture makes a Public Offering of its shares, the total number of shares that may be owned by Foreign Investors may not exceed eighty five percent of the paid-in capital.

Article 4

A Local Investor, except a Custodian acting as a Collective Custodian, is prohibited from representing the interests of a Foreign Investor, either directly or indirectly, in the purchase and/or acquisition of shares of a Securities Company for such Foreign Investor, in such a way that the ownership of shares of such Securities Company by Foreign Investors is greater than is allowed in Articles 2 and 3.

Article 5

Violations of the provisions of this Decree will be subject to sanctions based on Law No. 8 of 1995 on the Capital Market.

Article 6

This Decree shall be effective on January 1, 1996. In order that all will be informed, this Decree will be promulgated by publication in the State Gazette of the Republic of Indonesia.

Issued in Jakarta
on December 30, 1995

MINISTER OF FINANCE

MAR'IE MUHAMMAD

Based on the Original Documents
HEAD OF THE BUREAU FOR GENERAL AFFAIRS

Ny Hertati Mulatsih
ACTING HEAD OF THE ADMINISTRATIVE DIVISION