

**RULE NUMBER III.A.11 : AUCTION OF SECURITIES EXCHANGE  
SHARES**

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Attachment :  
Decision Of The Chairman Of Bapepam  
Number : Kep-30/PM/1998  
Date : June 19, 1998

1. Securities Exchanges must conduct an auction of Securities Exchange shares on the first work day of each month.
2. Securities Exchange shares that are included in item 1 above may be in the following categories:
  - a. Category A is Securities Exchange shares that have not yet been issued or that have been repurchased by the Securities Exchange;
  - b. Category B is Securities Exchange shares that are owned by Persons that have not been members of the Securities Exchange for a period of less than 90 (ninety) days and have requested that such shares be offered for sale; and
  - c. Category C is Securities Exchange shares that are owned by Persons that have not been members of the Securities Exchange for more than 90 (ninety) days and who are not in the process of becoming members of a Securities Exchange.
3. Offers to buy Securities Exchange shares at the auction may be made only by licensed Broker-dealers and or Underwriters that do not have a share of that Securities Exchange and already have a confirmation from the Securities Exchange that they are qualified to become a member of the Securities Exchange.
4. Within 10 (ten) days of receiving a request from a Securities Company to issue a confirmation concerning its qualification to become an Exchange member as indicated in item 3, the Securities Exchange must notify the Securities Company that it is qualified or refuse the request and notify Bapepam of that conclusion.
5. Securities Exchanges may recover reasonable expenses for conducting auctions of Securities Exchange shares with the condition that the amount recovered may not be greater than 1% (one percent) of the price paid by the Person that won the auction.
6. The auction of Category A Securities Exchange shares must be made at the highest bid price that is not less than the par value of the shares.
7. The auction of Category B Securities Exchange shares must be made at the highest bid price that is not less than the price set by the owner of the shares.
8. The auction of Category C Securities Exchange shares must be made at the highest bid price.

9. Category C Securities Exchange shares that have been offered during 3 (three) months and have not been sold must be purchased by the Securities Exchange at the close of the 3<sup>rd</sup> (third) auction at the par value of the shares.
10. A purchaser of a Securities Exchange share in an auction based on this rule must submit an application to become a member of the Securities Exchange within 5 (five) days after buying the share and the Securities Exchange must give a reply to the application within 5 (five) days after receiving the application and send a copy of the reply to Bapepam.
11. The supervisor of the Securities Exchange inspection unit must report the results of Securities Exchange share auctions in writing to Bapepam with a copy to the Board of Commissioners no later than the 10<sup>th</sup> (tenth) of each month after the Exchange has conducted an auction. The report shall, among other things, contain the auction publication date, the implementation date, the opening price, the bid prices during the auction, Persons that made bids, the final auction price, the Person that was the winner of the auction and other important information relating to the auction.
12. A Securities Exchange must publish shares that are to be auctioned and notify in writing the Securities Company that has a license from Bapepam as a Broker-dealer and or Underwriter that owns the shares at least 20 (twenty) days before the auction is to be conducted.
13. The owners of Securities Exchange shares whose shares are to be auctioned by the Securities Exchange may submit an objection to Bapepam with respect to the Securities Exchange action not later than 15 (fifteen) days prior to the auction.
14. Bapepam may approve or reject the objection submitted by the owner of the shares referred to in item 13 not later than 10 (ten) days after receiving the objection.
15. If Bapepam approves the objection of the shareowner, the Securities Exchange must cancel the plan to conduct the auction.