

PRESS RELEASE

THE ISSUANCE OF MINISTER OF FINANCE DECREE AND BAPEPAM RULE CONCERNING CAPITAL OF SECURITIES FIRMS

With regard to the capital increasing for securities firms, there are 2 (two) Decrees being issued that concerns with the increase amount of paid-in capital and Net Adjusted Working Capital of Securities Firm, as follows:

1. Decree of Minister of Finance No.: 179/KMK.010/2003 concerning Shares Ownership and Capital of a Securities Firm; and
2. Decision of Chairman of Bapepam No.: Kep-20/PM/2003 concerning Maintenance and Reporting Net Adjusted Working Capital

The increase of paid-in capital and Net Adjusted of securities Firm need to be done in order to improve financial structure and operational performance of Securities Firm for they can enhance their service quality, improve their human resources, and obey to regulations and back office system quality.

Aside to the matters mentioned above, the policy to increase the amount of paid-in capital and Net Adjusted Working Capital of Securities Firm is also meant to comply with General Principles International Organization of Securities Commission (IOSCO), that states there should be efforts to constantly improve the requirements of Securities Company which focus on prudential requirements such as initial capital structure, and its ongoing maintenance in relation to development of potential risks that securities firms undertake.

The details of the increase of paid-in capital and NAWC are as follows:

1. Securities Firms that carries on business as Underwriter has to have at least 50 billions rupiah of paid-in capital, and at least 25 billions rupiah of NAWC.
2. Securities Firms that carries on business as Broker-Dealer which performs securities account administration for its client has to have at least 30 billions rupiah of paid-in capital, and at least 25 billions rupiah of NAWC.
3. Securities Firms that carries on business as Broker-Dealer which does not perform securities account administration for its client has to have at least 500 millions rupiah and at least 200 millions rupiah of NAWC.
4. Securities Firms that carries on business as Investment Manager has to have at least 5 billions rupiah of paid-in capital, and at least 200 millions rupiah of NAWC.
5. Securities Firms that carries on business as Underwriter and Investment Manager has to have at least 55 billions rupiah of paid-in capital, and at least 25.2 billions rupiah of NAWC.
6. Securities Firms that carries on business as Broker Dealer which performs securities account administration for its client and as Investment Manager

has to have at least 35 billions rupiah of paid-in capital, and at least 25.2 billions rupiah of NAWC.

With regard to Securities Firm that has already had business license from Bapepam before the enactment of this Decree, the securities firms should comply with the new capital requirements through this following 2 (two) stages of implementation:

Type of Business	Stage I		Stage II	
	Paid-in Capital	NAWC	Paid-in Capital	NAWC
Underwriter	Rp25 billions	Rp10 billions	Rp50 billions	Rp25 billions
Broker-Dealer				
✓ not performing securities account administration for its client	Rp500 millions	Rp200 millions	Rp500 millions	Rp200 millions
✓ performing securities account administration for its client	Rp15 billions	Rp10 billions	Rp30 billions	Rp25 billions
Investment Manager	Rp3 billions	Rp200 millions	Rp5 billions	Rp200 millions
Underwriter and Investment Manager	Rp28 billions	Rp10.2 billions	Rp55 billions	Rp25.2 billions
Investment Manager and Broker-Dealer which performs securities account administration for its client	Rp18 billions	Rp10.2 billions	Rp35 billions	Rp25.2 billions

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 Indonesian Capital Market Supervisory
 Agency

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