

RULE NUMBER V.D.9 : GUIDELINES FOR AGENT AGREEMENT OF MEMBER OF STOCK EXCHANGE SECURITIES COMPANY

Attachment :

Decision of the Chairman of Bapepam

Number : Kep-28/PM/2000

Date : June 30, 2000

1. Securities Company which is Member of Stock Exchange must comply with item 1 letter a of Bapepam Rule Number V.D.5.
2. Securities Company which is no longer a member of Stock Exchange must transfer its stock exchange securities to other Securities Company as referred to in Article 8 of Government Regulation number 45 of 1995 concerning Capital Market Activities and Bapepam Rule Number III.A.11.
3. Securities Company which is no longer a member of Stock Exchange does not have a voting right in the General Meeting of Shareholders as referred to in Article 10 of Government Regulations number 45 of 1995 concerning Capital Market Activities.
4. Member of Stock Exchange may give a service for client of Non-Member of Stock Exchange, with the following requirements :
 - a. If a Member of Stock Exchange gives the service mentioned above, the Member of Stock Exchange must open securities account for each client of Non-Member of Stock Exchange.
 - b. Member of Stock Exchange must establish receipt, confirmation, report and other documents related to securities account, on behalf of each client of Non-Member of Stock Exchange, with the document requirements as the following:
 - 1). must indicate that the Non-Member of Stock Exchange is an agent for Member of Stock Exchange and the clients' securities account are kept under responsibility of the Member of Stock Exchange;
 - 2). must include name, address, and telephone number of the Member of Stock Exchange;
 - 3). may include name, address and telephone number of the Non-Member of Stock Exchange and any information about identity of the Non-Member of Stock Exchange may be printed larger and more dominant than that of Member of Stock Exchange; and
 - 4). must be sent or delivered directly by the Member of Stock Exchange to the client of Non-Member of Stock Exchange with copy of the documents to the respective Securities Company which is Non-Member of Stock Exchange.
 - c. Acceptance and delivery of securities and or fund related to securities account by client of Non-Member of Stock Exchange must be carried out directly to the Custodian division of the Member of Stock Exchange or custodian bank which is pointed by the member of stock exchange, with the following requirements :

- 1). Document of acceptance and delivery of securities and or fund must be prepared as referred to in item 2 letter e of Rule Number V.D.3.
 - 2). Member of Stock Exchange shall not accept and deliver the securities and or fund related to securities account of its client to the member of stock exchange.
- d. If a Member of Stock Exchange open securities account for client of Non-Member of Stock Exchange, the Member of Stock Exchange must make a contract of securities account opening signed by the client, Member of Stock Exchange, and the Non-Member of Stock Exchange, with the following requirements :
- 1). the contract form and requirement must be prepared as referred to in item 5 letter c of Rule Number V.D.3;
 - 2). the contract must indicate that securities account is kept under responsibility of Member of Stock Exchange;
 - 3). the contract must include provision regulating whether there is or not authority delegation from client to the Non-Member of Stock Exchange to accept any verbal order related to the client's securities account on Member of Stock Exchange, with the following requirements :
 - a) if the client gives its authority to the Non-Member of Stock Exchange to accept any verbal order, the order must be forwarded to Member of Stock Exchange in written, including through safe electronic form;
 - b) the contract must include provision that Member of Stock Exchange may carry out all written order related to client's securities account which is forwarded by Non-Member of Stock Exchange through a manual or safe electronic form, although the order is performed verbally or by written of the client;
 - c) the contract must include provision stating that Member of Stock Exchange is not responsible for any default by Non-Member of Stock Exchange in forwarding client's order to Member of Stock Exchange; and
 - d) copy of the contract must be kept in the Marketing division of Member of Stock Exchange and Non-Member of Stock Exchange.
 - 4). Documents of client's order which are sent by Non-Member of Stock Exchange to Member of Stock Exchange must be time marked and must be kept in Marketing division of Non-Member of Stock Exchange, with the following requirements :
 - a) Member of Stock Exchange must process the order as referred to in Rule Number V.D.3 and Rule Number III.A.10; and
 - b) Member of Stock Exchange must give same priority to client's order of Non-Member of Stock Exchange as to client of Member of Stock Exchange as referred to in Article 38 of Capital Market Law.
5. Non-Member of Stock Exchange must prepare an agent agreement with Member of Stock Exchange including at least the following items :
- a. sharing pattern of commission and cost;

- b. description procedure of information about identity of Non-Member of Stock Exchange on the documents as referred to in item 4 letter b number 3) of this rule;
 - c. acceptance and delivery procedure of securities and funds related to securities account by client of Non-Member of Stock Exchange as referred to in item 4 letter c of this rule;
 - d. an agreement of Member of Stock Exchange for not accepting client of Non-Member of Stock Exchange directly or for not offering the client to open securities account directly;
 - e. preparing of information which can be accessed through terminal and monitor screen by Member of Stock Exchange for Non-Member of Stock Exchange which enables Non-Member of Stock Exchange to monitor the position of its client's securities account, open position, and securities price at Stock Exchange;
 - f. obligation of Member of Stock Exchange to client of Non-Member of Stock Exchange for preparing all information, documents, and notes which are needed as same as for its own client, including information about insurance protection of client's securities account and financial condition of Member of Stock Exchange; and
 - g. obligation of Non-Member of Stock Exchange for delivering written statement to each of its clients stating that clients' securities account are maintained by Member of Stock Exchange and become the full responsibility of Member of Stock Exchange, except for a responsibility of Non-Member of Stock Exchange related to forwarding client's order to the Member of Stock Exchange.
6. Non-Member of Stock Exchange dealing with all clients' transaction based on agent agreement with Member of Stock Exchange as mentioned in this rule and not maintaining securities account, is not required to have staff for divisions as referred to in Bapepam Rule Number V.D.3, including :
- a. Custodian division;
 - b. Accounting division which manages documents, including :
 - 1). client's securities account and its documents;
 - 2). securities subsidiary ledger related to securities account;
 - 3). general ledger, and
 - 4). transaction subsidiary ledger;
 - c. Trading and Order division.
7. Stock Exchange is prohibited to make a limitation on commission and cost related to the transaction as referred to in this rule, or determine percentage of commission or cost between Member of Stock Exchange and Non-member of Stock Exchange.
8. Violations against provisions of this rule are subject to the sanctions based on Capital Market regulations.

Bapepam Rulebook

Authorized in Jakarta
On 30 June 2000
Chairman of Capital Market
Supervisory Agency

Ttd

Herwidayatmo
NIP 060065750

As the original document
Secretary

Pande Putu Raka
NIP 060034443