

ATTACHMENT:
Decision of the Chairman of BAPEPAM
Number : Kep-28/PM/2003
Date : July 21, 2003

**RULE NUMBER IX.K.1 : GUIDELINES FOR ASSET BACKED SECURITIES
COLLECTIVE INVESTMENT CONTRACTS**

1. Definition

- a. An Asset Backed Securities Collective Investment Contract is an agreement between an Investment Manager and a Custodian Bank that binds asset backed securities participating unit and that authorizes the Investment Manager to manage the collective investment portfolio and the Custodian Bank to provide Collective Custody services.
- b. Asset Backed Securities is a participation unit of a Collective Investment Contract with a portfolio that consists of financial assets comprising of claims arising from commercial papers, credit card receivables, future receivables, loans including homes or apartment mortgages, debt securities guaranteed by the Government, credit/cash flow enhancement, as well as equivalent financial assets and other financial assets related to the aforementioned financial assets.
- c. Fixed Cash Flow Asset Backed Securities are Asset Backed Securities that give the investors certain income similar to those received by debt securities holders.
- d. Variable Cash Flow Asset Backed Securities are Asset Backed Securities that give the investors uncertain income similar to those received by equity securities holders.
- e. Credit/Cash Flow Enhancements are means for improving the quality of a Collective Investment Contract portfolio with respect to the payments to holders of Asset Backed Securities, including:
 - 1) subordination of one class of Asset Backed Securities to another class within the same Collective Investment Contract;
 - 2) a letter of credit;
 - 3) a guarantee fund;
 - 4) a reserve for bad debts;
 - 5) insurance;
 - 6) guarantee on rates of return;
 - 7) a guarantee on liquidity at the time of maturity;
 - 8) a guarantee on tax payments;
 - 9) an option; or
 - 10) a swap on interest rates or foreign currency exchange rates.
- f. An Originator is a Person that has transferred its financial assets to holders of Assets Backed Securities collectively whereby the assets are obtained by the

ATTACHMENT:
Decision of the Chairman of BAPEPAM
Number : Kep-28/PM/2003
Date : July 21, 2003

- Person by way of lending, selling, of offering other services with regard to its business activities;
- g. A Service Provider is a Person who is responsible to process and supervise the payments that are made by debtors, initiate actions against debtors that fail to meet their obligation, negotiate and settle claims against debtors and perform other services specified in the contract.
 - h. Asset Backed Securities Disclosure Document is a written statement by the Investment Manager within the last 12 (twelve) months, containing all material information regarding an Asset Backed Security, that is given to each prospective investor before such person becomes a holder of such Security.
2. Assets for the portfolio of Asset Backed Securities may be acquired from the Originator through purchases or in exchange for units of participation in the Asset Backed Securities Collective Investment Contract.
 3. Assets for the Asset Backed Securities portfolio acquired by the Investment Manager and registered in the name of the Bank Custodian on behalf of owners of the Asset Backed Securities must be supported by an opinion of a Legal Consultant that is registered with Bapepam certifying that the rights of the Asset Backed Securities holders are the same as what has been stated in the Asset Backed Securities Disclosure Document.
 4. Prospective purchasers of Asset Backed Securities must sign a statement declaring that they have received and read the Asset Backed Security Disclosure Document before purchasing such Securities.
 5. The Asset Backed Security Collective Investment Contract may:
 - a. contain different classes or no different classes whatsoever of Asset Backed Securities with different rights. Such differences may be based on matters such as:
 - 1) the sequence and timing of payments to holders of the Asset Backed Securities;
 - 2) the classes of Fixed Cash Flow Asset Backed Securities;
 - 3) provisions that payments to specified Asset Backed Securities will be made from interest or from other cash flows;
 - 4) provisions that payments to specified Asset Backed Securities will be made from principal;
 - 5) provisions regarding accelerated payments to specified Asset Backed Securities because of specified conditions;
 - 6) provisions that payments may change in accordance with interest rates or other market criteria;

ATTACHMENT:
Decision of the Chairman of BAPEPAM
Number : Kep-28/PM/2003
Date : July 21, 2003

- 7) provisions regarding the level of guarantees or prior claims on the financial assets or the cash flow of the Collective Investment Contract; and
 - 8) provisions regarding limited guarantees on payments to specified classes of Asset Backed Securities.
- b. provide the terms under which the Asset Backed Securities of a specified class may be transferred to other Persons;
 - c. provide provision for liquidation of the Asset Backed Securities Collective Investment Contract including the disbursement of the financial assets to some or all classes of Asset Backed Securities holders at a specific time or under certain conditions;
 - d. determine that there is or there is no:
 - 1) insurance for the financial assets in the portfolio for various types of risks, such as credit risks;
 - 2) credit rating of some or all classes of the Asset Backed Securities;
 - 3) guarantees from third Persons;
 - 4) credit or cash flow enhancements;
 - 5) retention and reinvestment of certain cash flows of the Collective Investment Contract portfolio; and
 - 6) issuance of additional Asset Backed Securities that may be owned by new investors or holders of previously issued Asset Backed Securities.
6. The Asset Backed Securities Collective Investment Contract must include:
- a. the name of the Service Provider that provides services for the financial assets in the Collective Investment Contract portfolio and specify its responsibilities;
 - b. the name of the Securities Rating Agency if the Asset Backed Securities are to be offered through a Public Offering
 - c. the name of the registered Accountant that is appointed to audit the financial statements at least once a year;
 - d. the name of the registered Legal Consultant that is appointed to provide legal opinions with respect to transfers of financial assets into the Collective Investment Contract portfolio;
 - e. a provision regarding the time period of the Asset Backed Security Collective Investment Contract;
 - f. provisions regarding any restrictions from selling the Asset Backed Securities back to the Investment Manager and or the Bank Custodian that represents the holders of the Asset Backed Securities;

ATTACHMENT:
Decision of the Chairman of BAPEPAM
Number : Kep-28/PM/2003
Date : July 21, 2003

- g. provisions regarding replacement of the Investment Manager, Bank Custodian, Accountant, Service Provider, Rating Agency, Legal Consultant, Notary and other Persons that are related with the Asset Backed Securities Collective Investment Contract; and
 - h. remuneration that is received by Persons that are referred to in number 7 letter g above.
7. The Asset Backed Securities Collective Investment Contract must be constructed into a document notarized by a Notary that is registered with Bapepam.
8. In the case whereby the Asset Backed Securities are not offered through a Public Offering, the Investment Manager is not required to submit a Registration Statement to Bapepam. The Investment Manager, however, must submit the following documents no later than 10 (ten) days after the date of the signing of the Collective Investment Contract:
 - a. the Asset Backed Securities Disclosure Document;
 - b. the Collective Investment Contract; and
 - c. a specimen Asset Backed Securities certificate.
9. Each Asset Backed Securities Collective Investment Contract must be given the same name as the Investment Manager with the words "ASSET BACKED SECURITY COLLECTIVE INVESTMENT CONTRACT" and a number that has been given by the Investment Manager, with the following provisions:
 - a. if the Investment manager is changed, the name of the Asset Backed Securities Collective Investment Contract must be changed in conformance with the name of the new Investment Manager;
 - b. if there is more than one class of Asset Backed Securities, each class must be identified with a capital letter and an indication that identifies each class. For example, if such class is in the form of "Fixed Cash Flow Asset Backed Securities or Variable Cash Flow Asset Backed Securities"; and
 - c. the Asset Backed Securities name must also include the type of financial assets in the Collective Investment Contract portfolio.
10. Asset Backed Securities shall be evidenced by certificates that may be issued in collective form. Such certificates shall contain:
 - a. the name of the Asset Backed Securities as referred to in number 10 of this rule;
 - b. the name of the Asset Backed Securities holder;
 - c. the number of Asset Backed Securities represented;
 - d. a brief description of material rights attached to the class of Asset Backed Securities;

ATTACHMENT:
Decision of the Chairman of BAPEPAM
Number : Kep-28/PM/2003
Date : July 21, 2003

- e. a brief description regarding the Asset Backed Securities Collective Investment Contract such as the type of assets in the portfolio;
- f. the schedule of payments;
- g. the name and address of the Investment Manager;
- h. a statement by the Investment Manager regarding the latest available Asset Backed Securities Disclosure Documents;
- i. the name and address of the Bank Custodian;
- j. the name and address of the Securities Administration Agency, if any, and
- k. the date, location and name of the Notary that made the Asset Backed Securities Collective Investment Contract.

Authorized in Jakarta
On July 21, 2003
Chairman of Capital Market Supervisory
Agency

Herwidayatmo
NIP 060065750

As the original document
Secretary

Pande Putu Raka
NIP 060034443