

ATTACHMENT X TO

Decision of the Board of Directors of

PT Kliring Penjaminan Efek Indonesia

Number: Kep-042/DIR/KPEI/0924

Dated : 27 September 2024

SUPERVISION, AUDIT, AND SANCTION PROVISIONS

I. Supervision and Audit of CCP Members

I.1. KPEI has the authority to carry out supervision and audit of CCP Members in order to determine compliance with the fulfillment of obligations and implementation of their functions towards the Rule Book, including if there are indications of violations committed by them against the provisions in the Rule Book.

I.2. CCP Members are required to provide recorded data and/or information related to PUVA Transaction activities as requested for the purpose of supervision and audit by KPEI.

- I.3. KPEI can carry out audits of CCP Members by collaborating with third party appointed directly by KPEI.
- I.4. Third party as referred to in the provisions of Number I.3. is a Public Accountant and/or Public Accounting Firm (KAP) officially registered on Financial Services Authority website or other agency that has competence in auditing matters related to finance, compliance, and operations (including information systems) which appointment has received approval from the Financial Services Authority and/or Bank Indonesia.
- I.5. Based on the audit carried out as referred to in this Rule Book for Supervision, Audit, and Sanction Provisions, KPEI may at any time freeze Collateral belonging to CCP Members or Collateral belonging to Customers of General CCP Members placed with KPEI related to PUVA Transaction activities if certain

conditions occur based on the approval given by the competent agency.

I.6. If, based on the audit, it is discovered that one or more of the requirements necessary to become a CCP Member are not fulfilled, then the relevant CCP Member is prohibited from registering PUVA Initial Contract which will give rise to new rights and obligations.

I.7. For the purpose of PUVA Transaction Clearing and Settlement, KPEI may temporarily suspend CCP Members from PUVA Transaction Clearing and Settlement activities based on KPEI's authority in carrying out supervision and audit of the compliance and implementation of the functions of CCP Members.

I.8. In the event that a CCP Member is suspended by KPEI as referred to in Number 1.7, then to revoke the suspension, KPEI must first conduct an audit of the CCP Member concerned, with the following provisions:

I.8.1. If the results of the KPEI audit conclude that the CCP Member has operational readiness and risk management to conduct PUVA Transaction through CCP, then KPEI will revoke the suspension of the CCP Member concerned. The suspension will be revoked by KPEI within a maximum period of 10 (ten) PUVA Clearing Days after the audit report is received.

I.8.2. If KPEI concludes that the CCP Member concerned does not have operational readiness and risk management to conduct PUVA Transaction through CCP, then KPEI will still suspend the CCP Member concerned.

I.9. KPEI may revoke the suspension of the CCP Member from PUVA Transaction Clearing and Settlement activities if the CCP Member

concerned has corrected the conditions that caused the CCP Member to be suspended based on the results of the audit report made by the CCP.

II. Imposing Sanctions

II.1. KPEI may impose sanctions on CCP Members who violate the provisions of Rule Book in the form of:

II.1.1. a written warning;

II.1.2. fine with a maximum amount of IDR 500,000,000 (five hundred million rupiahs);

II.1.3. administrative fee;

II.1.4. suspension of PUVA Transaction Clearing and Settlement activities for the addition of new PUVA Transaction positions; and/or

II.1.5. revocation of CCP Member Approval Letter.

II.2. The imposition of sanctions on CCP Members as mentioned above is based on KPEI policy.

II.3. Sanctions is effective from the date of the sanction determination letter issued by KPEI.

II.4. The imposition of sanctions on CCP Members is reported to Bank Indonesia and the Financial Service Authority.

II.5. For the fine sanctions as referred to in the provisions Number II.1.2., the following provisions apply:

II.5.1. Payment of fines must be made according to the date stated in the sanction determination letter.

II.5.2. If within the time limit as referred to in the provisions of Number II.5.1., CCP Members do not carry out their obligations, KPEI may impose late interest of 1% (one percent) per Calendar Day of the fine imposed, or provide other sanctions or a combination of fines and other sanctions based on the provision of Number II.1.

II.6. KPEI may suspend CCP Member from PUVA Transaction Clearing and Settlement activities if the following conditions occur:

II.6.1. voluntary request from CCP Members;

II.6.2. CCP Members experience an Event of Default;

II.6.3. CCP Members violate the provisions relating to the obligations of CCP Members as referred to in all provisions of the Rule Book;

II.6.4. CCP Members carry out actions that have a negative impact on KPEI's reputation and integrity;

II.6.5. there is an order from Bank Indonesia, the Financial Service Authority, and/or other competent agencies; and/or

II.6.6. CCP Members did not provide information requested by KPEI in connection with supervision and audit activities carried out by KPEI.

II.6.7. The Annual Financial Statement that has been audited by a public accountant in the last 2 (two)

financial years received an Adverse Opinion and/or a Disclaimer Opinion, or in the last 3 (three) financial years received a Qualified Opinion - WDP or a combination of WDP with an adverse opinion or WDP with a disclaimer opinion.

II.7. Suspension based on a voluntary request from a CCP Member as referred to in provision Number II.6.1., can be carried out with the following provisions:

II.7.1. The suspension application must be submitted in writing to KPEI within a period of no later than 20 (twenty) PUVA Clearing Days before the effective date of the suspension requested by the CCP Member concerned.

II.7.2. KPEI provides confirmation of approving or rejecting the

suspension application based on a voluntary request from a CCP Member within a period of no later than 10 (ten) PUVA Clearing Days since the suspension application was received.

II.8. In the event that a CCP Member is in Event of Default as referred to in Number II.6.2, the CCP Member must be subject to a sanction in the form of an administrative fee of 0.25% (zero point twenty five percent) per day, multiplied by the accumulated value of the use of skin in the game and the Default Fund Contribution of other CCP Members and the accumulated fines that have not been paid by the CCP Member experiencing an Event of Default for 30 (thirty) Calendar Days since the use of the Financial source.

II.9. Invoice for administrative fees as referred to in Number II.8. is carried out simultaneously in DHK PUVA for the following PUVA Clearing Day and must be fulfilled by

the CCP Member concerned in accordance with
DHK PUVA.

II.10. The imposition of sanctions of the
revocation of approval to become a CCP Member
is carried out by KPEI.

II.11. The sanction of suspension and/or revocation
of the CCP Membership Approval Letter does
not eliminate the responsibility of CCP
Members to complete all their obligations
towards KPEI.

III. Submissions of Objections to Imposition of Sanctions

III.1. On the sanctions determined by KPEI, CCP
Members may submit an objection petition to
KPEI.

III.2. Submission of an objection petition to KPEI
as referred to in the provisions Number
III.1. must be filed to KPEI within a period
of no later than 5 (five) PUVA Clearing Days

from the receipt of the sanction determination letter by the CCP Member, together with the submission of a copy of the objection petition to Bank Indonesia and/or the Financial Services Authority.

III.3. Submission of objections to KPEI as referred in the provision of Number III.1. is submitted in writing in Bahasa Indonesia containing at least:

III.3.1. reasons for submitting objections by CCP Members;

III.3.2. matters desired by CCP Members; and

III.3.3. data along with supporting documents.

III.4. In the event that a CCP Member has submitted an objection as referred to in the provision of Number III.2., then KPEI resolves the

objection through a deliberation to reach consensus with the relevant CCP Member and then provide a determination or response to the results of the review of the objection to the CCP Member no later than 60 (sixty) PUVA Clearing Days after receipt of the complete objection petition letter by KPEI.

III.5. In the event that resolution by a deliberation to reach consensus with CCP Members as referred to in Number III.4. is not successful, KPEI may reject the objection of the CCP Members.

III.6. Submission of an objection by a CCP Member as referred to in the provision of Number III.1., does not result in a delay in the CCP Member's obligation to fulfill the sanctions determined by KPEI.

III.7. On the objections submitted by CCP Members as referred to in the provision of Number III.1., the following provisions apply:

III.7.1. if KPEI determines that the objection is accepted, then KPEI will change or revoke sanctions imposed on the CCP Member concerned; or

III.7.2. if KPEI determines that the objection is rejected, KPEI will still impose sanctions on the CCP Member concerned.

III.8. In the event that the CCP Member has objection to KPEI's determination, as referred to in the provision Number III.7., the CCP Member may submit an objection appeal to Bank Indonesia and/or the Financial Service Authority within a period of no later than 14 (fourteen) calendar days since the receipt of KPEI's determination by CCP Members with due regard to internal regulations issued by Bank Indonesia and/or the Financial Services Authority.

III.9. A copy of the objection appeal petition as referred to in the provision of Number III.8 must be submitted by the CCP Member to KPEI at the same time as the objection appeal petition is submitted to Bank Indonesia and/or the Financial Services Authority.

III.10. If Bank Indonesia and/or the Financial Services Authority accepts part or all of the objection appeal submitted by the CCP Member, then:

III.10.1. the CCP Member is required to convey the decision of Bank Indonesia and/or the Financial Services Authority regarding the objection appeal to KPEI;

III.10.2. KPEI will change or revoke the sanctions imposed on the CCP Member concerned; and

III.10.3. all actions taken by KPEI regarding the imposition of sanctions on the CCP Member remain valid and binding as from the imposition of such sanctions by KPEI until the date of stipulation of the decision by Bank Indonesia and/or the Financial Services Authority.

III.11. In respect of sanctions for late payment of fines and interest imposed on the CCP Member, the following provisions apply:

III.11.1. In the event that KPEI accepts part or all of the objections submitted by the CCP Member, KPEI must return the fines and late interest (if any) that KPEI has received in accordance with the amount specified in the determination or response from KPEI.

III.11.2. In the event that Bank Indonesia and/or the Financial Services Authority accepts part or all of the objection appeals submitted by the CCP Member, KPEI must return the fines and late interest (if any) that KPEI has received in accordance with the amount determined in the decision of Bank Indonesia and/or the Financial Services Authority.

III.12. If the objection appeal against the imposition of sanctions by KPEI submitted by the CCP Member is rejected by Bank Indonesia and/or the Financial Services Authority by confirming the determination issued by KPEI, then the KPEI sanctions will still be imposed on and implemented by the relevant CCP Member.

IV. Annex

The annexes to this Rule Book for Supervision, Audit, and Sanction Provisions are complementary and explain each other in accordance with their functions and are an integral and inseparable part of the Rule Book for Supervision, Audit, and Sanction Provisions, which consists of:

IV.1 Annex A - Implementation Provisions of the
Rule Book for Supervision, Audit, and
Sanction Provisions

ANNEX A

IMPLEMENTATION PROVISIONS OF THE RULE BOOK FOR SUPERVISION,
AUDIT, AND SANCTION PROVISIONS

I. Stages of Imposing Sanctions

I.1. Prior to the imposition of sanctions, KPEI may carry out guidance measures based on the results of supervision and audit that have been carried out on CCP Members.

I.2. The imposition of sanctions given by KPEI may be imposed directly or gradually.

I.3. KPEI may impose sanctions individually or layered with other sanctions (for example: written warning with fine).

I.4. The determination of sanctions stages including the amount of fines by KPEI for violations committed by CCP Members based on the impact caused both to the CCP itself and outside the CCP within a certain period.

II. Imposition of Fines

II.1. In the event that a CCP Member is unable to fulfill its obligations as referred to in the provision of Number III.2.9 of the Rule Book for CCP Membership Provisions, the CCP Member may be subject to guidance or administrative sanctions in the form of a written warning or fine.

II.2. The amount of fine imposed for each type of financial report per PUVA Clearing Day shall be IDR1,000,000,- (one million rupiah) and a maximum of IDR30,000,000,- (thirty million rupiahs). In the event of imposition of fines for other violations, including but not limited to the provisions as regulated in the Rule Book for CCP Membership Provisions, it will be determined in KPEI policy based on the category of violation and aspect of its impact.

Jakarta, 6 December 2024
Translated by:

