

**DECISION OF THE BOARD OF DIRECTORS OF
PT KLIRING PENJAMINAN EFEK INDONESIA**

Number : Kep-029/DIR/KPEI/1118

Subject Matter : KPEI Regulation Number II-15
regarding Clearing and Guarantee
of Designated Stock Settlement
and Isolated Trade on Equity
Securities

Issuance Date : 22 November 2018

Effective Date : 26 November 2018

Reference : Otoritas Jasa Keuangan Letter
Number: S-1345/PM.21/2018 dated
19 November 2018, subject matter:
Approval on Regulation Draft of
PT KPEI number II-5 regarding
Clearing and Guarantee of
Securities Exchange Transaction
Settlement on Equity Securities ,
KPEI Regulation Number II-14
regarding Credit Ring, and KPEI





Kliring Penjaminan Efek Indonesia

Regulation number II-15 regarding
Clearing and Guarantee of
Designated Stock Settlement and
Isolated Trade on Equity
Securities

- Considering : 1. That pursuant to the provision of
the *Otoritas Jasa Keuangan*
Regulation Number 26/POJK.04/2014
regarding Securities Exchange
Transaction Settlement Guarantee,
KPEI must provide the provision
related to Designated Stock and
Isolated Trade.
2. That KPEI has applied Regulation
Number II-15 regarding Clearing
and Guarantee of Designated Stock
Settlement and Isolated Trade on
Equity Securities, which was





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lastly stipulated in the Decision of the Board of Directors of PT Kliring Penjaminan Efek Indonesia Number: Kep-011/DIR/KPEI/1215 dated 28 December 2015.

3. That for the purpose of broadening the definition of KPEI membership and the implementation of the Acceleration of Settlement Cycle which is originally on the 3rd Exchange Day (T + 3) becomes the 2nd Exchange Day (T + 2), it is necessary to make adjustment to KPEI Regulation regarding Designated Stock and Isolated Trade.

Taking into : 1. Law Number 8 of 1995 regarding account Capital Market (the State Gazette

PT Kliring Penjaminan Efek Indonesia, (Indonesia Central Counterparty)
Indonesia Stock Exchange Building, Tower 1, 2nd Floor, Jend. Sudirman
Kav. 52-53, Jakarta 12190
Phone. (62-21) 515 5115 Fax (62-21) 515 5120

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of the Republic of Indonesia
Number 64 of 1995, Supplement to
the State Gazette of the Republic
of Indonesia Number 3608 of
1995).

2. Government Regulation Number 45
of 1995 regarding Implementation
of the Capital Market Activities
(the State Gazette of the
Republic of Indonesia Number 86
of 1995, Supplement to the State
Gazette of the Republic of
Indonesia Number 3617 of 1995).

3. *Otoritas Jasa Keuangan* Regulation
Number 26/POJK.04/2014 regarding
Securities Exchange Transaction
Settlement Guarantee.

4. *Otoritas Jasa Keuangan* Regulation





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Number 47/POJK.04/2016 regarding
Rule Making Procedure by Clearing
and Guarantee Institution.

5. Otoritas Jasa Keuangan Regulation
Number 21/POJK.04/2018 regarding
Time of Securities Exchange
Transaction Settlement.

6. Decision of the Chairman of
Bapepam Number Kep-26/PM/1998
regarding Granting of Business
License to PT Kliring Penjaminan
Efek Indonesia as a Clearing and
Guarantee Institution.

7. Decision of the Board of
Directors of PT Kliring dan
Penjaminan Efek Indonesia Number
Kep-011/DIR/KPEI/ 1215 dated 28
December 2015, subject matter:

PT Kliring Penjaminan Efek Indonesia, (Indonesia Central Counterparty)
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Regulation Number II-15 regarding
Clearing and Guarantee of
Designated Stock Settlement and
Isolated Trade on Equity
Securities.

8. Articles of Association of PT
Kliring Penjaminan Efek
Indonesia.

HAS DECIDED

To
stipulate:

1. KPEI Regulation Number II-15
regarding Clearing and Guarantee
of Designated Stock Settlement
and Isolated Trade on Equity
Securities .

2. With respect to the effectiveness
of this Decision, KPEI Regulation
Number II-15, regarding Clearing

PT Kliring Penjaminan Efek Indonesia (Indonesia Central Counterparty)
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and Guarantee of Designated Stock Settlement and Isolated Trade on Equity Securities, Attachment to Decision of the Board of Directors of PT Kliring Penjaminan Efek Indonesia Number Kep-011/DIR/KPEI/1215 dated 28 December 2015 is declared no longer effective.

3. This Decision shall be effective on 26 November 2016 provided that any matter will be amended and revised if in the future it is required for perfection or there is a mistake in this stipulation.

Stipulated in : Jakarta

On : 22 November 2018

PT Kliring Penjaminan Efek Indonesia, (Indonesia Central Counterparty)
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Kliring Penjaminan Efek Indonesia

[signed]

[signed]

Sunandar

President Director

Iding Pardi

Director

PT Kliring Penjaminan Efek Indonesia, (Indonesia Central Counterparty)
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ATTACHMENT to

The Decision of the Board of Directors

PT Kliring Penjaminan Efek Indonesia

Number: Kep-029/DIR/KPEI/1118

Dated: 22 November 2018

KPEI REGULATION NUMBER: II-15

**CLEARING AND GUARANTEE OF DESIGNATED STOCK SETTLEMENT AND
ISOLATED TRADE ON EQUITY SECURITIES**

I. DEFINITION

In this Regulation, what is meant by:

I.1 **Designated Stock** shall be Securities determined by the Stock Exchange and Clearing and Guarantee Institution based on certain requirements which transaction settlement is designated as provided for in Article 1 Number 11 of the *Otoritas Jasa Keuangan* Regulation Number 26/POJK.04/2014 Regarding Securities Exchange Transaction Settlement



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Guarantee.

I.2 **Securities Exchange Transaction** shall be contract entered into by Member(s) of a Stock Exchange in accordance with Stock Exchange rules regarding sale-purchase of Securities, Securities lending and borrowing, or any other contract regarding Securities or Securities price as provided in Article 1 Number 28 of Law Number 8 of 1995 regarding Capital Market.

I.3 **Isolated Trade** shall be Securities Exchange Transaction which is isolated from Securities Exchange Transaction Settlement Guarantee based on the provision stipulated by the Stock Exchange and Clearing and Guarantee Institution or upon an instruction of the *Otoritas Jasa Keuangan* as provided for in Article 1 Number 10 of the *Otoritas Jasa Keuangan* Regulation Number



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26/POJK.04/2014 Regarding Securities
Exchange Transaction Settlement
Guarantee.

I.4 **Equity Securities** shall be any shares,
Securities convertible into shares, or
Securities with the right to obtain
shares from the Company as the issuer as
stipulated in Number 1 of Bapepam and LK
Regulation Number IX.J.1 regarding the
Principles of the Articles of Association
of Company making a Public Offering of
Equity Securities and Public Companies,
the Attachment of the Decision of
Chairman of Bapepam and LK Number Kep-
179/BL/2008 dated 14 May 2008.

I.5 **Securities Exchange Transaction**
Settlement Guarantee shall be the
obligation of Clearing and Guarantee
Institution to immediately and directly
take over the responsibility of Clearing
Member which fails to fulfil its



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obligation regarding Securities Exchange Transaction settlement and to settle the said transaction in the same time and terms as required for the respective Clearing Member as referred to in Article 1 Number 1 of Otoritas Jasa Keuangan Regulation Number 26/POJK.04/2014 Regarding Securities Exchange Transaction Settlement Guarantee.

I.6 **List of Clearing Result (DHK)** shall be an electronic document containing details of rights and obligations of Equity Securities and/or fund of each Clearing Member for the purpose of Securities Exchange Transaction settlement.

I.7 **List of Clearing Result for Isolated Trade (DHK-TD)** shall be an electronic document containing details of rights and obligations of Securities and/or fund of each Clearing Member for the purpose of Settlement on Isolated Trade .



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- I.8 **Isolated Trade Report (LTD)** shall be an electronic document containing Securities Exchange Transaction which is temporary isolated from the Clearing process and Securities Exchange Transaction Settlement by KPEI.
- I.9 **Trade for trade** shall be the determination for the fulfilment of rights and obligations for each Clearing Member transaction which is made directly on the transacted Securities.
- I.10 **Clearing** shall be a process of determining the rights and obligations arising from the Securities Exchange Transaction as referred to in Article 1 Number 4 of *Otoritas Jasa Keuangan* Regulation Number 26/POJK.04/2014 Regarding Securities Exchange Transaction Settlement Guarantee.



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- I.11 **Regular Market** shall be a market where the Securities trading is conducted by way of a continuous auction market bid-offer process by the Securities Exchange Member whose settlement is done on the 2nd Exchange Day after the occurrence of Securities Exchange Transaction (T+2).
- I.12 **Cash Market** shall be a market where the Securities trading is conducted by way of continuous auction market bid-offer process by the Securities Exchange Member whose settlement is done on the same Exchange Day as the occurrence of Securities Exchange Transaction (T+0).
- I.13 **Negotiation Market** shall be a market where the Equity Securities traded on the Exchange is conducted based on individual direct bargaining process and non-continuous auction (non-continuous auction market) and its settlement can be made based on an agreement of the Stock



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Exchange Member.

I.14 **Clearing Member** shall be a Securities Exchange Member or other party who meets the requirement for acquiring Securities Exchange Transaction Settlement Clearing and Guarantee services according to Clearing Guarantee Institution Regulation, as referred to in Article 1 Number 6 of Otoritas Jasa Keuangan Regulation Number 26/POJK.04/2014 Regarding Securities Exchange Transaction Settlement Guarantee.

I.15 **Stock Exchange** shall be PT Bursa Efek Indonesia.

I.16 **KPEI** shall be PT Kliring Penjaminan Efek Indonesia.

I.17 **KSEI** shall be PT Kustodian Sentral Efek Indonesia.



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I.18 **Guarantee Fund** shall be the pooling of funds and/or Securities administered and managed by the Clearing and Guarantee Institution which is used to conduct Securities Exchange Transaction Settlement Guarantee by the Clearing and Guarantee Institution as provided for in Article 1 Number 2 of the *Otoritas Jasa Keuangan* Regulation Number 26/POJK.04/2014 Regarding Securities Exchange Transaction Settlement Guarantee.

II. DETERMINATION AND ANNOUNCEMENT OF DESIGNATED STOCK

II.1 The Exchange and KPEI shall determine the Designated Stock by considering the criteria, at the minimum, as follows:

II.1.1 The composition of Securities ownership including public ownership and concentration of Securities ownership which is



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categorized as the risky one;

II.1.2 Transaction Pattern which is indicated to breach Capital Market Law No.8 of 1995 regarding Capital Market and/or other laws and regulations in the Capital Market sector;

II.1.3 Securities price fluctuation;

II.1.4 Transaction volume;

II.1.5 Transaction frequency; and

II.1.6 Other material information.

II.2 The Exchange and KPEI shall conduct a review on the List of Designated Stock every month by considering the data criteria and period for at least within the last 1 (one) month.

II.3 The Exchange and KPEI shall announce the



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list of Designated Stock through the Exchange and KPEI websites every month and shall report it to the *Otoritas Jasa Keuangan* no later than 2 (two) Exchange Days prior to the effectiveness of Designated Stock .

II.4 Announcement of Designated Stock shall contain the effectiveness period of Designated Stock .

II.5 If there is Securities which meets Designated Stock criteria within the period as specified in the provision II.2 of this Regulation, the Exchange and KPEI shall announce through the Exchange and KPEI websites with respect to the addition of the said Designated Stock , and shall report it to the *Otoritas Jasa Keuangan* no later than 2 (two) Exchange Days prior to its effectiveness.



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**III. CLEARING AND SETTLEMENT OF SECURITIES EXCHANGE
TRANSACTION ON DESIGNATED STOCK**

III.1 The Clearing process shall be performed
Trade for trade basis for each Securities
Exchange Transaction on Designated Stock
conducted at the Negotiation Market.

III.2 Based on the Clearing result as referred to
in the provision III.1, KPEI provides List
of Clearing Result (DHK) for Equity
Securities Exchange Transaction at the
Negotiation Market no later than at 7.30 PM
(at half past seven P.M. Indonesia Western
Time) on the Exchange Day on which the
Equity Securities Exchange Transaction
occurs (T+0).

III.3 List of Clearing Result (DHK) as referred
to in the provision III.2, shall contain
the followings:

III.3.1 Code and amount of Equity



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Securities for Equity Securities delivery obligation by a selling Clearing Member to a buying Clearing Member for each type of Equity Securities transacted at the Exchange;

III.3.2 Code and amount of Equity Securities on the right to receive Equity Securities by a buying Clearing Member from a selling Clearing Member for each type of Equity Securities transacted at the Exchange;

III.3.3 a sum of fund which must be delivered by a buying Clearing Member to a selling Clearing Member or a sum of fund to be received by a selling Clearing Member from a buying Clearing Member;



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III.3.4 Transaction date.

III.4 Securities Exchange Transaction Settlement on Designated Stock shall be performed in accordance with KSEI Regulation with respect to the overbooking of Equity Securities and/or fund for Securities Exchange Transaction settlement for which clearing process is made Trade for trade.

III.5 KPEI does not perform Securities Exchange Transaction Settlement Guarantee function, in the event that a failure to fulfil the obligation for the Securities Exchange Transaction on Designated Stock at the Negotiation Market occurs.

IV. CLEARING AND GUARANTEE FEE OF SETTLEMENT FOR SECURITIES EXCHANGE TRANSACTION ON DESIGNATED STOCK

IV.1 The Clearing and Guarantee Fee of Securities Exchange Transaction Settlement on Designated Stock is determined in



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accordance with KPEI Regulation No. II-5,
of Clearing and Guarantee of Securities
Exchange Transaction Settlement on Equity
Securities number VIII regarding Clearing
and Guarantee Fee of Securities Exchange
Transaction Settlement on Equity Securities

IV.2 KPEI does not collect any dues/contribution
for the Guarantee Fund payment for
Securities Exchange Transaction on
Designated Stock.

V. DETERMINATION AND ANNOUNCEMENT OF ISOLATED TRADE

V.1 Isolated Trade shall be determined based on
an approval or instruction of the *Otoritas
Jasa Keuangan*.

V.2 The Exchange and KPEI shall apply an
application for Isolated Trade approval,
in the event that there are indications, at
minimum, as follows:



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V.2.1 Transaction pattern which is indicated to breach Capital Market Law No.8 of 1995 regarding Capital Market and/or any other laws and regulations in the Capital Market sector;

V.2.2. high risk transaction; and/or

V.2.3. transaction which jeopardizes market integrity.

V.3 Submission of an application for Isolated Trade approval by the Exchange and KPEI, shall be made by considering the circumstances, at minimum, as follows:

V.3.1 condition of a Clearing Member related to the amount of the transaction value which potentially cannot be resolved and the identified existence of the unusual transaction pattern



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made by the concerned Clearing
Member;

V.3.2 unusual Securities price
fluctuation;

V.3.3 pattern, volume and frequency of
Securities Transaction.

V.4 The Exchange and KPEI shall conduct a
review at least within the last 1 (one)
month with respect to indication and
circumstance as referred to in provisions
V.2 and V.3 for submitting an application
for Isolated Trade approval.

V.5 After obtaining an approval and/or
instruction from the *Otoritas Jasa Keuangan*
on Isolated Trade , the Exchange and KPEI:

V.5.1. shall stipulate Isolated
Trade ;



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V.5.2. shall inform a Clearing Member whose transaction is stipulated as Isolated Trade which settlement thereof is postponed or is not guaranteed by KPEI at the latest 1 (one) Exchange Day after the transaction is made (T+1) at the Regular Market or at the latest at 1.00 PM (at one P.M. Indonesia Western Time) on the same Exchange Day after making transaction (T +0) at the Cash Market;

V.5.3. shall announce through the Exchange and KPEI websites and shall report it to the Otoritas Jasa Keuangan at the latest 1 (one) Exchange Day after the transaction made (T + 1) at the Regular



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Market or at the latest at
4.00 PM (at four P.M.
Indonesia Western Time) on
the same Exchange Day after
making transaction (T +0) at
the Cash Market.

**VI. CLEARING AND GUARANTEE OF SETTLEMENT ON ISOLATED
TRADE**

VI.1. KPEI shall issue Isolated Trade Report
(LTD) subject to the followings:

VI.1.1 In the event that Isolated Trade
for the Regular Market or Cash
Market is determined prior to the
issuance of List of Clearing
Result (DHK) , then Isolated
Trade Report (LTD) shall be
issued at the latest at the same
time as List of Clearing Result
(DHK) in accordance with
Regulation Number II-5 regarding



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Clearing and Guarantee of
Securities Exchange Transaction
Settlement on Equity Securities.

VI.1.2. In the event that Isolated Trade for the Regular Market is determined after the issuance of List of Clearing Result (DHK), then Isolated Trade Report (LTD) shall be issued at the same time as substitute List of Clearing Result (DHK) which no longer includes the said Isolated Trade with the deadline at the latest at 7.30 PM (at half past seven P.M. Indonesia Western Time) on the 1st Exchange Day after the Securities Exchange Transaction occurs (T+1).

VI.2. In the event that Isolated Trade obtains an approval or instruction from the *Otoritas Jasa Keuangan* for not to postpone its



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settlement and which is not guaranteed by KPEI, the following terms shall apply:

VI.2.1. KPEI shall perform Clearing Trade for trade basis on the said Isolated Trade and shall issue List of Clearing Result for Isolated Trade (DHK-TD) and shall inform the relevant Clearing Member.

VI.2.2. List of Clearing Result for Isolated Trade (DHK-TD) shall contain the following:

VI.2.2.1. Code and amount of Equity Securities for Equity Securities delivery obligation by a selling Clearing Member to a buying Clearing Member for each type of Equity



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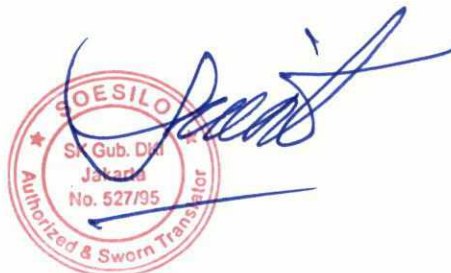
Securities transacted
at the Exchange;

VI.2.2.2. Code and amount of
Equity Securities on
the right to receive
Equity Securities by a
buying Clearing Member
from a selling Clearing
Member for each type of
Equity Securities
transacted at the
Exchange;

VI.2.2.3. A sum of fund which
must be delivered
and/or received by a
Clearing Member;

VI.2.2.4. Transaction date.

VI.2.3. The said Isolated Trade Settlement
shall be performed based on



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Clearing process Trade for trade basis by KPEI through overbooking of Securities and/or fund with KSEI.

VI.3. In the event that Isolated Trade obtains an approval of the *Otoritas Jasa Keuangan* for not to postpone its settlement and which is guaranteed by KPEI, the following terms shall apply:

VI.3.1 The Exchange and KPEI shall announce through the Exchange and KPEI websites related to the act of Securities Exchange Transaction Settlement Guarantee for the said Isolated Trade and shall inform it to the relevant Clearing Member.

VI.3.2 KPEI shall make Netting Clearing process on Isolated



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Trade which is not postponed and which is guaranteed in accordance with the settlement procedure as provided for in KPEI Regulation No. II-5 regarding the Implementation of Clearing and Settlement of Securities Exchange Transaction on Equity Securities.

VI.4. In the event that KPEI performs Securities Exchange Transaction Settlement Guarantee for Isolated Trade which settlement has been postponed, in accordance with the approval or instruction from the *Otoritas Jasa Keuangan*, the following terms shall apply:

VI.4.1 The Exchange and KPEI shall announce through the Exchange and KPEI websites related to



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the act of Securities
Exchange Transaction
Settlement Guarantee for the
said Isolated Trade and shall
inform it to the relevant
Clearing Member;

VI.4.2 KPEI shall make Netting
Clearing process on the said
Isolated Trade with Equity
Securities Exchange
Transaction which settlement
date shall be made at the
latest two Exchange Days
after receiving date of the
Otoritas Jasa Keuangan's
approval or instruction
letter and its settlement
procedure shall be made as
provided for in KPEI
Regulation No. II-5 regarding
the Implementation of
Clearing and Settlement of



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Securities Exchange
Transaction on Equity
Securities;

VI.4.3 the settlement of the said
Isolated Trade shall be made
on the 2nd Exchange Day after
receiving date of the
Otoritas Jasa Keuangan's
approval or instruction
letter related to Securities
Exchange Transaction
Settlement Guarantee on
Isolated Trade and shall
inform it to the relevant
Clearing Member.

VI.5. In the event that KPEI does not perform
Securities Exchange Transaction Settlement
Guarantee for Isolated Trade which
settlement has been postponed, in
accordance with the approval or instruction
from the *Otoritas Jasa Keuangan*, the



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following terms shall apply:

VI.5.1. The Exchange and KPEI shall announce through the Exchange and KPEI websites related to non-performance of Securities Exchange Transaction Settlement Guarantee for the said Isolated Trade and shall inform it to the relevant Clearing Member;

VI.5.2. KPEI shall perform Clearing Trade for trade basis on the said Isolated Trade and shall issue List of Clearing Result for Isolated Trade (DHK-TD) and shall inform it to the relevant Clearing Member.

VI.5.3. List of Clearing Result for Isolated Trade (DHK-TD) shall contain the following:



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VI.5.3.1. Code and amount of
Equity Securities for
Equity Securities
delivery obligation by
a selling Clearing
Member to a buying
Clearing Member for
each type of Equity
Securities transacted
at the Exchange;

VI.5.3.2. Code and amount of
Equity Securities on
the right to receive
Equity Securities by a
buying Clearing Member
from a selling Clearing
Member for each type of
Equity Securities
transacted at the
Exchange;

VI.5.3.3. A sum of fund which



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must be delivered
and/or received by a
Clearing Member;

VI.5.3.4. Transaction date.

VI.4.4. The said Isolated Trade Settlement
shall be performed based on
Clearing process Trade for trade
basis by KPEI through overbooking
of Securities and/or fund with
KSEI.

VI.4.5. A Clearing Member must be
responsible for the settlement of
the said Isolated Trade.

**VII. CLEARING AND GUARANTEE FEE OF SETTLEMENT FOR
ISOLATED TRADE AND GUARANTEE FUND**

VII.1. Clearing Fee for Settlement of
Isolated Trade is the same as the
charging of Clearing fee as provided



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for in KPEI Regulation No. 11-5 regarding the Implementation of Clearing and Settlement of Securities Exchange Transaction on Equity Securities.

VII.2. Clearing Fee for the settlement of Isolated Trade as referred to in the provision of number VI.2 above, i.e. the transaction which is not postponed and which is not guaranteed by KPEI, must be paid by a Clearing Member on the date on which the transaction settlement is made.

VII.3. Clearing and Guarantee Fee upon Isolated Trade as referred to in the provision of number VI.3 above, must be paid by a Clearing Member at the time the said postponed transaction is reinstated become Securities Exchange Transaction is to be settled and its settlement is guaranteed.



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VII.4. Upon Isolated Trade which settlement is postponed, a Clearing Member must still pay Guarantee Fund dues/contribution of 0.01% (one tenth of a thousand) of the value of each Securities Exchange Transaction.

VII.5. In the event that KPEI does not perform Securities Exchange Transaction Settlement Guarantee act on Isolated Trade, the Guarantee Fund dues/contribution paid by a Clearing Member related to Isolated Trade shall constitute as a reduction on invoice of the Guarantee Fund dues/contribution for the subsequent month.

VIII. GRANTING COMPENSATION ON SETTLEMENT POSTPONEMENT OF ISOLATED TRADE

VIII.1. Upon Isolated Trade which settlement is



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postponed and for which Securities Exchange Transaction Settlement Guarantee is made, KPEI may grant compensation to the relevant Clearing Member.

VIII.2. Granting compensation shall be made subject to the followings:

VIII.2.1. Submission of compensation request shall be made by a Clearing Member who, based on the review result of the *Otoritas Jasa Keuangan*, is declared not to have breached the Capital Market laws and regulations.

VIII.2.2. Submission of compensation request must be accompanied by the adequate and reasonable supporting evidences.

Stipulated in Jakarta, on 22-11-2018



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[signed]

Sunandar

President Director

[signed]

Iding Pardi

Director

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Jakarta, 1 November 2019
Translated by:

