

**MINISTRY OF FINANCE OF THE REPUBLIC OF INDONESIA
THE CAPITAL MARKET AND FINANCIAL INSTITUTION SUPERVISORY
AGENCY**

DUPLICATE OF

**DECISION OF THE CHAIRMAN OF THE CAPITAL MARKET
AND FINANCIAL INSTITUTIONS SUPERVISORY
AGENCY**

NUMBER: KEP - 181 /BL/2009

CONCERNING

ISSUANCE OF SHARIA SECURITIES

**THE CHAIRMAN OF THE CAPITAL MARKET AND FINANCIAL
INSTITUTIONS SUPERVISORY AGENCY,**

Considering : that in order to enhance the effectivity and efficiency of issuance of sharia securities and management of sharia mutual fund and asset-backed securities, it is deemed necessary to revise Decision of The Chairman of Capital Market and Financial Institutions Supervisory Agency Number: Kep-130/BL/2006 Dated 3 November 2006, Rule Number IX.A.13 concerning the Issuance of Sharia Securities, by issuing new Decision of Chairman of The Capital Market and Financial Institutions Supervisory Agency.

In view of :

1. Law Number 8 year 1995 concerning the Capital Market (State Gazette year 1995 number 64, Supplement to State Gazette Number 3608);
2. Government Regulation Number 45 year 1995 concerning Capital Market Organization (State Gazette Year 1995 Number 86, Supplement to State Gazette Number 3617) as revised by Government Regulation Number 12 year 2004 (State Gazette Year 2004 Number 27, Supplement to State Gazette Number 4372);
3. Government Regulation Number 46 year 1995 concerning Capital Market Formal Investigative Procedures (State Gazette year 1995 Number 87, Supplement to State Gazette Number 3618);
4. Decree of the President of the Republic of Indonesia Number 45/M year 2006;

Taking into account : Letter from the National Sharia Board - Indonesian Council of Ulema (DSN-MUI) Number: B-194/DSN-MUI/VI/2009 dated 25 June 2009 concerning Statement of DSN-MUI on Rule of Capital Market and Financial Institutions Supervisory Agency.

HAS DECIDED:

To enact : **DECISION OF THE CHAIRMAN OF THE CAPITAL
MARKET AND FINANCIAL INSTITUTIONS
SUPERVISORY AGENCY CONCERNING THE
ISSUANCE OF SHARIA SECURITIES**

Article 1

Provision concerning the Issuance of Sharia Securities is regulated in Rule Number IX.A.13 as stipulated in the Attachment of this Decision.

Article 2

With the enactment of this Decision, Decision of Chairman of Capital Market Supervisory Agency Number: Kep-130/BL/2006 dated 23 November 2006, Rule Number IX.A.13 concerning the Issuance of Sharia Securities is revoked and invalid.

Article 3

This Decision shall become effective since the date of its promulgation.

Enacted in : Jakarta
Date : 30 June 2009

Chairman of Capital Market And Financial
Institutions Supervisory Agency

Signed

A. Fuad Rahmany
NIP 060063058

Based on the original documents
Head of General Affairs Division

signed

Prasetyo Wahyu Adi Suryo
NIP 060076008

ATTACHMENT :

Decision of Chairman of Capital
Market and Financial Institutions
Supervisory Agency (CMFISA)
Number : Kep-181/BL/2009
Date : 30 June 2009

RULES NUMBER IX.A.13 : ISSUANCE OF SHARIA SECURITIES

1. GENERAL PROVISIONS

a. In this rule, the following terminologies apply:

- 1) Sharia Contract is an agreement/contract which is based on Sharia Principles in Capital Market in compliance with Capital Market and Financial Institutions Supervisory Agency (CMFISA) Rule Number IX.A.14 and/or other agreements/contracts which do not contradict Sharia Principles in the Capital Market.
- 2) Sharia Principles in Capital Market is the Principles of Islamic Law in capital market activities based on the fatwa of the National Sharia Board – Indonesian Council of Ulema (DSN-MUI), as long as the fatwa do not contradict this rule and/or the Rule of Capital Market and Financial Institutions Supervisory Agency which are based on the fatwa of DSN-MUI.
- 3) Sharia Securities is Securities as defined in Capital Market Law and its implementing regulation in which its issuance underlying contract, mechanism, and business activities do not contradict the Sharia Principles in Capital Market.
- 4) Sharia Mutual Fund is Mutual Fund as defined in Capital Market Law and its implementing regulation in which its management do not contradict the Sharia Principles in Capital Market.
- 5) Sharia Collective Investment Contract - Asset Backed Securities is a contract between Investment Manager and Custodian Bank that binds Asset Backed Securities holders where the Investment Manager is given authority to manage portfolio of collective investment and Custodian Bank is given authority to perform collective deposit, which do not contradict the Sharia Principles in Capital Market.
- 6) Sharia Asset Backed Securities is Securities issued by Sharia Collective Investment Contract - Asset Backed Securities which portfolio consists of financial asset, which do not contradict the Sharia Principles in Capital Market.
- 7) Sukuk is Sharia Securities in a form of certificate or proof of ownership which has the same value and represents participation unit (which is not separated from or consists of *undivided share* (*syuyu'*)):
 - a) certain tangible assets (*a'yan maujudat*);
 - b) the beneficial value of particular tangible assets (*manafiul a'yan*) either it has existed or it will exist;
 - c) services (*al khadamat*) at present or in the future;
 - d) particular project assets (*maujudat masyru' mu'ayyan*); and/or
 - e) predetermined investment activities (*nasyath ististmarin khashah*).

b. Business activities which contradict Sharia Principles, among other things, are:

- 1) gambling and games considered as gambling;
- 2) prohibited trading according to sharia, among other things, are:
 - a) trading which is not followed by delivery of goods/services;
 - b) trading with false offer/demand;
- 3) usury-based financial services, among others are:
 - a) interest-based banks;
 - b) interest-based finance company;
- 4) risk trading involving uncertainty (*gharar*) and/or gambling (*maisir*), such as conventional insurance;
- 5) producing, distributing, trading, and/or providing, among others:
 - a) prohibited goods or services due to the raw material (*haram li dzatili*);
 - b) prohibited goods or services due to other than the raw material (*haram lighoirihi*) determined by DSN-MUI;
 - c) Goods or services impairing moral values and/or having harmful effects;
- 6) conducting transactions which involve bribery (*risywah*).

c. Any Person issuing Sharia Securities and stating that the business activity and business management are in compliance with the Sharia Principles must fulfill:

- 1) Sharia Principles in Capital Market, this rule, and other rules and regulations in Capital Market which are related to the Sharia Securities offered;
- 2) Sharia Principles compliance in Capital Market which is related to the Sharia Securities offered.

d. Sharia Securities do not longer fulfill the Sharia Principles in Capital Market when the business activity, management, assets of Mutual Funds, and/or assets of Collective Investment Contract of Asset Backed Securities of the Issuer contradict the Sharia Principles in Capital Market.

e. Any Person issuing the Sharia Securities and stating that the company business activity and management are compliance with the Sharia Principles in Capital Market must state that:

- 1) the business activity and management of the Person performing Public Offering are in compliance with the Sharia Principles in Capital Market as stated in the Company Article of Association or Collective Investment Contract;
- 2) type of business, product, rendered services, managed assets, contract, and management of the Person performing Public Offering do not contradict the Sharia Principles in Capital Market;
- 3) for Issuers and Public Company, it must have a member of directors and board of commissioner who comprehend any activity which may contradict the Sharia Principles in Capital Market; and
- 4) for Sharia Mutual Funds and Collective Investment Contract Assets Backed Securities, it must have Investment Manager Representatives, and person in charge to carry out the Custodian activities in Custodian Bank who comprehend any activity which may contradict the Sharia Principles in Capital Market.

2. ISSUANCE OR REGISTRATION OF SHARIA SECURITIES IN THE FORM OF SHARES

The issuance or registration of Sharia Securities in the form of shares by Issuer or Public Company stating that business activity and management are in compliance with the Sharia Principles in Capital Market, must fulfill following requirements:

- a. Unless determined otherwise by this rule, Registration Statement of Issuer or Public Company must:
 - 1) meet provisions of Rule Number IX.A.1 or Rule Number IX.B.1, and other related provisions regarding Public Offering; and
 - 2) disclose additional information in the Prospectus informing that:
 - a) in its article of association states that the business activity and management are in compliance with the Sharia Principles in Capital Market;
 - b) type of business, product , rendered services, managed assets, contract, and management of the Issuer or Public Company do not contradict the Sharia Principles in Capital Market; and
 - c) the Issuer or Public Company has a member of board of directors and board of commissioners who comprehend any activity which may contradict the Sharia Principles in Capital Market.
- b. Issuer or Public Company issuing Sharia Securities in the form of shares may only amend its article of association related to business activity and management to be no longer in compliance with the Sharia Principles in Capital Market if:
 - 1) there is a proposal from the shareholders which has fulfilled requirements stated in the Law of Limited Liability Company; and
 - 2) the proposal has been approved in General Shareholders' Meeting.
- c. The announcement and invitation of General Shareholders' Meeting as referred to letter b must be published in at least 1 (one) Indonesian newspaper which has a nation-wide circulation, and be implemented in accordance with provisions in Rule Number IX.J.1.
- d. The announcement of General Shareholders' Meeting as referred to letter c must contain information:
 - 1) that proposal of General Shareholders' Meeting to amend its article of association related to business activity and management to be no longer in compliance with the Sharia Principles in Capital Market is initially from the shareholders;
 - 2) explanation, consideration, and reason for the proposed amendment of article of association related to business activity and management;
 - 3) plan of activities and management after the Issuer is no longer in compliance with the Sharia Principles in Capital Market;
 - 4) the settlement method for shareholders who do not agree with the amendment; and
 - 5) the explanation that the decision of General Shareholders' Meeting regarding the amendment of the article of association is effective after obtaining the approval from shareholders and the Minister of Justice and Human Rights.
- e. The invitation as referred to letter c must be sent either by registered mail or facsimile to shareholders address and by newspaper.
- f. Quorum and decision of General Shareholders' Meeting as referred to letter b are implemented based on provisions regarding the amendment of the article of association as stipulated in Rule Number IX.J.1 with a requirement that shareholders proposing such amendment and their affiliation cannot be considered in the attendance quorum.
- g. Issuer or Public Company who amends its article of association as referred to letter b must settle the disapproving shareholders' rights by ensuring that their shares could be sold at fair price by considering the following provisions:
 - 1) in case the shares are not listed in the Stock Exchange, the exercise share price should at least be the same as the fair price determined by an independent Appraiser;

- 2) in case the shares are listed and traded in the Stock Exchange but within 90 (ninety) days are being idle or temporarily suspended, the exercise shares price is at least the same as the highest price within the last 12 (twelve) months prior to the last trading day or the day it is temporarily suspended; or
- 3) in case the shares are listed and traded in the Stock Exchange, the exercise share price should at least be the same as the highest share price within the last 90 (ninety) days prior to the date of publication of General Shareholders' Meeting regarding the amendment of the article of association as referred to letter c.

3. THE ISSUANCE OF SUKUK

- a. Unless determined otherwise by this rule, Issuer that offers Sukuk to public must:
 - 1) meet provisions of Rule Number IX.A.1 and other related provisions regarding Public Offering;
 - 2) submit to the CMFISA, among other things, are:
 - a) the Securities rating, Trust-Agent agreement of Sukuk, and Sharia Contract related to the issuance;
 - b) the statement letter stating that:
 - (1) the company business activity underlying the issuance of Sukuk does not contradict the Sharia Principles as referred to letter b; and
 - (2) during Sukuk period, the business activity will not contradict with the Sharia Principles as referred to letter b.
 - c) the statement letter from Sukuk Trust-Agent informing that the Sukuk Trust-Agent has officer in charge and/or an expert in Trust-Agent activities who comprehends any activity which may contradict the Sharia Principles in Capital Market;
 - d) the statement letter informing ability of Issuer to submit a result of the newest annual sukuk rating to the CMFISA, Trust-Agent, and the Stock Exchange, and announce it in at least 1 (one) Indonesian newspaper which has a nation-wide circulation at the latest 14 (fourteen) days after the expiration of latest annual sukuk rating;
 - e) the statement letter informing ability of Issuer to submit a result of the newest sukuk rating, statement, or opinion of Securities rating agency (including revocation/cancellation of the rating) as a result of such material fact or important event which can affect Issuer's ability to fulfill its obligations and affect Sukukholder's risks, to the CMFISA, Sukuk Trust-Agent, the Stock Exchange, and announce it in at least 1 (one) Indonesian newspaper which has a nation-wide circulation, no later than the end of second working day after Issuer receives the newest sukuk rating, statement, or opinion; and
 - 3) disclose information in Prospectus covering at least the following items:
 - a) the company business activity underlying the issuance of Sukuk does not contradict the Sharia Principles as referred to letter b, and Issuer guarantees that during Sukuk period the business activity will not contradict the Sharia Principles as referred to letter b;
 - b) the Sukuk Trust-Agent has officer in charge and/or an expert in Trust-Agent activities who comprehends any activity which may contradict the Sharia Principles in Capital Market;

- c) type of Sharia Contracts and the Sharia transaction schemes used in Sukuk Issuance, with the explanation about the Sharia transaction schemes;
 - d) summary of Sharia Contract or Agreement;
 - e) source of revenue for calculating the compensation for revenue or profit sharing, margin, or fee;
 - f) ratio of revenue or profit sharing, margin, or fee;
 - g) schedule plan and procedures for distribution and/or disbursement for revenue or profit sharing, margin, or fee; and
 - h) result of the Sukuk rating.
- b. The Sukuk Trust-Agent Agreement must cover at least:
- 1) a description of the Sukuk Contract underlying the issuance of Sukuk;
 - 2) the use of fund obtained from the issuance of Sukuk in accordance with the Sharia Contract characteristic;
 - 3) the source of fund used to pay for returning accordance with the Sharia Contract characteristics;
 - 4) ratio of revenue or profit sharing, margin, or fee;
 - 5) schedule plan and procedures for distribution and/or disbursement for revenue or profit sharing, margin, or fee;
 - 6) the obligation of Sukuk Trust-Agent to take any necessary action to ensure the Issuers compliance to the Sharia Principles in Capital Market;
 - 7) the actions taken if Issuers will change the type of Sharia Contract, contents of Sharia Contract, business activity and/or particular asset underlying the Sukuk issuance;
 - 8) the changes of the type of Sharia Contract, contents of Sharia Contract, business activity and/or particular asset underlying the Sukuk issuance must first obtain approval from General Sukuk holders' Meeting;
 - 9) the mechanism for settlement of the rights of disapproving Sukuk holders;
 - 10) the provisions stating that violation against provisions stated in item 7), 8), and 9) can be considered as reasons to declare that Issuer fails to carry out its obligation; and
 - 11) the mechanism for handling the failure to meet its obligation.
- c. In case of any change with regard to the type of Sharia Contract, contents of Sharia Contract, business activity and/or particular asset underlying the Sukuk issuance contradicting the Sharia Principles in Capital Market, the Sukuk issued is null and void and the Issuers must settle all of its obligation to the Sukuk holders.
- d. The Issuer and the Sukuk Trust-Agent must obey all provisions stated in Trust-Agent Agreement.
- e. The Issuer must use the fund obtained from the Public Offering of Sukuk for activities or investments which do not contradict the Sharia Principles in Capital Market.
- f. The Issuer must submit report to CMFISA and announce it to public through the Stock Exchange no later than one working day after Issuer fulfills the following conditions:
- 1) all fund obtained from Public Offering of Sukuk are already received by the Issuer; and/or
 - 2) the fund received started to be used in accordance with the purpose of Sukuk issuance.

g. In case provisions as referred to letter f. 1) have been fulfilled, Sukuk trading other than *mudharabah* and/or *musyarakah* Sukuk have fulfilled the Sharia Principle in Capital Market.

In case provisions as referred to letter f have not been fulfilled, *mudharabah* and/or *musyarakah* Sukuk trading have fulfilled the Sharia Principle in Capital Market only if they are traded at par value.

4. THE ISSUANCE OF SHARIA INVESTMENT FUND (replace mutual fund become investment fund and don't forget to check web site IOSCO)

a. The issuance of Share of Sharia Investment Fund

Unless determined otherwise by this rule, the Issuer that makes a Public Offering of Sharia Investment Fund must:

- 1) meet provisions of Rule Number IX.A.1, Rule Number IX.C.4, and other related provisions regarding Public Offering; and
- 2) disclose provisions in the Management Contract and/or Contract for Custody of Investment Fund, and additional information in Prospectus on the following information:
 - a) that Investment Manager and Custodian Bank (*wakiliin*) act on behalf of Directors of Investment Fund Company (*muwakil*) to which the Investment Manager has authority to manage asset of Investment Funds, and the Custodian Bank has authority to do custodian of the assets;
 - b) the article of association should state that the business activity and business management are in compliance with the Sharia Principles in Capital Market;
 - c) investment policy of Investment Fund does not contradict the Sharia Principles in Capital Market;
 - d) managed assets, contract, and business management of the Issuer do not contradict the Sharia Principles in Capital Market;
 - e) having members of directors, Investment Manager's Representatives, and person in charge to carry out the custodian activities in Custodian Bank who comprehend any activity which may contradict the Sharia Principles in Capital Market;
 - f) the mechanism for Issuer assets clearance from particular substances which contradict the Sharia Principles in Capital Market;
 - g) addition of the word "Syariah" in the Issuer name; and
 - h) asset under management of Sharia Investment Fund could only be invested in:
 - (1) Securities which are on the List of Sharia Securities determined by the CMFISA;
 - (2) Sharia Pre-emptive Rights and Warrant;
 - (3) Sukuk;
which have been offered in Public Offering and/or traded in the Stock Exchange in Indonesia,
 - (4) stocks listed in List of Sharia Securities issued by other parties which are approved by CMFISA;
 - (5) foreign sukuk covered in List of Sharia Securities issued by other parties which are approved by CMFISA;
 - (6) Sharia Asset Backed Securities which fulfills the Sharia Principles in Capital Market and has been rated by rating agency;

- (7) sharia commercial paper which fulfills the Sharia Principles in Capital Market and has been rated by rating agency, as well as covered in List of Sharia Securities issued by other parties which are approved by CMFISA;
- (8) sharia securities which fulfills the Sharia Principles in Capital Market issued by international organization in which Indonesia is one of member of this organization; and/or
- (9) domestic sharia money market instruments which its maturity is less than one year, either in rupiah or foreign currency.

b. Issuance of Sharia Investment Fund Participation Unit in the form of Collective Investment Contract

Unless determined otherwise by this rule, the Issuer that offers Sharia Investment Fund to public must:

- 1) meet provisions of the Rule Number IX.A.1, the Rule Number IX.C.5, and other related provisions regarding Public Offering; and
- 2) disclose in the Collective Investment Contract and additional information in Prospectus on the following items:
 - a) that Investment Manager and Custodian Bank (*wakiliin*) act on behalf of Participation Unit (*muwakil*) to which the Investment Manager has authority to manage asset of Investment Funds, and the Custodian Bank has authority to do custodian of the assets;
 - b) investment policy of Collective Investment Contract does not contradict the Sharia Principles in Capital Market;
 - c) Investment Manager's Representatives that conduct Investment Fund Management, and person in charge to carry out the custodian activities in Custodian Bank who comprehend any activity which may contradict the Sharia Principles in Capital Market;
 - d) addition of the word "Syariah" in the Investment Fund name;
 - e) the mechanism for Investment Fund assets clearance from particular substances which contradict the Sharia Principles in Capital Market; and
 - f) asset under management of Sharia Investment Fund could only be invested in:
 - (1) Securities which are on the List of Sharia Securities determined by the CMFISA;
 - (2) Sharia Pre-emptive Rights and Warrant;
 - (3) Sukuk; which have been offered in Public Offering and/or traded in the Stock Exchange in Indonesia,
 - (4) stocks listed in List of Sharia Securities issued by other parties which are approved by CMFISA;
 - (5) foreign sukuk covered in List of Sharia Securities issued by other parties which are approved by CMFISA;
 - (6) Sharia Asset Backed Securities which fulfills the Sharia Principles in Capital Market and has been rated by rating agency;
 - (7) sharia commercial paper which fulfills the Sharia Principles in Capital Market and has been rated by rating agency, as well as covered in List of Sharia Securities issued by other parties which are approved by CMFISA;
 - (8) sharia securities which fulfills the Sharia Principles in Capital Market issued by international organization in which Indonesia is one of member of this organization; and/or

- c. domestic sharia money market instruments which its maturity is less than one year, either in rupiah or foreign currency Directors, Investment Managers and/or Custodian Bank must implement all provisions regulated in Management Contract, Custodian Contract, or Collective Investment Contract.
- d. The Custodian Bank must refuse in writing the Investment Manager's instruction with a copy to the CMFISA in case the execution of instruction causes the Investment Fund portfolio to contain Securities or instruments other than those determined in letter a. 2) h) or letter b. 2) f).
- e. In case Investment Fund portfolio contains Securities other than those listed in as referred to letter a. 2) h or b. 2) f) and this is not caused by actions of Investment Manager and Custodian Bank, then:
- 1) The Investment Manager must sell the Securities as soon as possible and settle it at least 10 (ten) working days from the time when:
 - a) the Securities is identified as no longer in the List of Sharia Securities with the requirement that the excess value between selling price and Fair Market Value of Securities in the period that Securities is still in the List of Sharia Securities is separated from the calculation of Net Asset Value of Investment Fund and treated as a social fund; and/or
 - b) the Securities is identified as no longer fulfill the Sharia Principles, with the requirement that the excess value between selling price and Fair Market Value of Securities in the period that Securities is still in the List of Sharia Securities is separated from the calculation of Net Asset Value of Investment Fund and treated as a social fund.
 - c) The Custodian Bank must submit to the CMFISA and Participation Unit holders, the information on the excess value of the Securities as stated in letter e.1) and information regarding used of social fund no later than the 12th (twelfth) day of every month (if any).
- f. In case the actions of Investment Manager and Custodian Bank cause portfolio of investment fund contains Securities or instrument other than securities or instrument as determined in letter a. 2) h) or letter b. 2) f)., then CMFISA may:
- 1) prohibit the Investment Managers to sell new Participation Units of Investment Fund;
 - 2) prohibit the Investment Managers and Custodian Bank to transfer any asset of the Investment Fund other than for clearance of Investment Fund assets from any substance which contradict the Sharia Principles in Capital Market;
 - 3) require Investment Manager and Custodian Bank to be collectively responsible for buying the portfolio which contradict the Sharia Principles in Capital Market at initial price in a certain period determined by the CMFISA; and/or
 - 4) require Investment Manager to make announcement to public regarding the prohibition and/or requirements determined by the CMFISA referred to item 1), item 2), and item 3) above, immediately no later than the end of 2nd (second) working day after the CMFISA letter is accepted, in 2 (two) Indonesian newspapers which have a nationwide circulation at Manager Investment's and Custodian Bank's cost.
- g. In case the Investment Manager and/or Custodian Bank do not obey the prohibition and/or do not fulfill the obligation required by the CMFISA referred to point f, the CMFISA has the authority to:

- 1) replace the Investment Manager and/or Custodian bank; or
- 2) dissolve the Investment Fund.

5. THE ISSUANCE OF SHARIA ASSET BACKED SECURITIES

a. Unless determined otherwise by this rule, the Person that offers Sharia Asset Backed Securities to public must:

- 1) meet provisions of Rule Number IX.A.1, Rule Number IX.C.9, and other related provisions regarding Public Offering;
- 2) put in clause in the Collective Investment Contract of Sharia Asset Backed Securities and additional information in Prospectus on the following information:
 - a) that Investment Manager and Custodian Bank (*wakiliin*) act on behalf of Sharia Asset Backed Securities holders (*muwakil*) to which the Investment Manager is given authority to manage portfolio of Investment Funds, and the Custodian Bank is given authority to do custodian of the assets;
 - b) that the assets which are part of the Sharia Asset Backed Securities do not contradict the Sharia Principles in Capital Market;
 - c) Investment Manager Representatives that manage the Collective Investment Contract of Sharia Asset Backed Securities, and person in charge to carry out the custodian activities in Custodian Bank who comprehend any activity which may contradict the Sharia Principles in Capital Market;
 - d) addition of the word "Syariah" in Asset Backed Securities name issued;
 - e) the mechanism for portfolio and Sharia Asset Backed Securities clearance from particular substances which contradict the Sharia Principles in Capital Market;
 - f) that management of Sharia Asset Backed Securities fund does not contradict the Sharia Principles in Capital Market;
 - g) type of Sharia Contracts and the Sharia transaction schemes used in Securities Issuance;
 - h) summary of Sharia Contract;
 - i) ratio of revenue or profit sharing, margin, or fee; and
 - j) schedule plan and procedures for distribution and/or disbursement for revenue or profit sharing, margin, or fee.

b. In case the actions of Investment Manager and Custodian Bank cause portfolio of Sharia Asset Backed Securities contains substance which contradict the Sharia Principles in Capital Market, then CMFISA may

- 1) prohibit the Investment Managers and Custodian Bank to transfer any asset of the Sharia Asset Backed Securities other than for clearance of Sharia Asset Backed Securities assets from any substance which contradict the Sharia Principles in Capital Market;
- 2) require Investment Manager and Custodian Bank to be collectively responsible for buying the portfolio asset of Sharia Asset Backed Securities at initial price or clearing Sharia Asset Backed Securities assets which contradict the Sharia Principles in Capital Market in a certain period determined by the CMFISA and/or as soon as possible, no later than the end of 2nd (second) working day after the violation is identified; and/or

- 3) require Investment Manager to make announcement to public regarding the prohibition and/or requirements determined by the CMFISA referred to item 1) and item 2), immediately no later than the end of 2nd (second) working day after the CMFISA letter is accepted, in 2 (two) Indonesian newspapers which have a nationwide circulation at Manager Investment's and Custodian Bank's cost.
- c. In case the Investment Manager and/or Custodian Bank do not obey the prohibition and/or do not fulfill the obligation required by the CMFISA referred to point b, the CMFISA has the authority to:
- 1) replace the Investment Manager and/or Custodian bank; or
 - 2) dissolve the Collective Investment Contract of Sharia Asset Backed Securities.
6. CLOSING PROVISION
- By no means of undermining criminal stipulation in capital market, the CMFISA may impose sanctions on any violations of this rule, as well as on any person that causes the violation to occur.

Enacted in : Jakarta
Date : 30 June 2009

Chairman of Capital Market and
Financial Institutions Supervisory
Agency

Signed

A. Fuad Rahmany
NIP. 060063058

Based on the original documents
Head of General Affairs Division

signed

Prasetyo Wahyu Adi Suryo
NIP 060076008

