

RULE NUMBER V.B.1 : LICENSING OF SECURITIES COMPANY REPRESENTATIVES

Attachment :

Decision of the Chairman of Bapepam

Number : Kep-25/PM/1996

Date : January 17, 1996

Substitute Prior Decision

Number : Kep-36/PM/1991

Date : July 17, 1991

1. Any individual who performs Securities Company activities must have a license as a Securities Company's Representative, except:
 - a. an individual whose functions are solely clerical or administrative;
 - b. an individual who deals exclusively in transactions in short term debt securities (less than 1 year), certificates of deposit, insurance policies, securities issued or underwritten by the government of Republic of Indonesia, or other securities as determined by Bapepam;
 - c. an individual who is not an employee of a Securities Company and who is registered with Bapepam as a Capital Market Supporting Professional;
 - d. an individual who is not an employee of a Securities Company who publishes analyses or reports about securities without special compensation and not on a regular basis;
 - e. an individual who is not an employee of a Securities Company who advises 15 (fifteen) persons or less about securities for a fee, or to 16 (sixteen) persons or more without special compensation;
 - f. an individual who is not an employee of a Securities Company and who manages investment portfolios without special compensation;
 - g. any employee of an Insurance Company or Pension Fund who manages securities portfolios as part of the business of such company; and
 - h. writers who publish current analyses or reports about particular Securities published in the mass media, unless such writers recommend investment portfolio services.
2. To obtain a Securities Company's Representative license, an individual must:
 - a. have passed the test established by the Committee on Professional Standards for the requested activity or have the necessary experience in the Capital Market;
 - b. be legally competent;
 - c. have never committed a disgraceful act or been convicted of a crime involving a financial transaction;
 - d. have a good character and morals; and
 - e. have never been declared bankrupt that may effect his/her ability to conduct his/her duty in a fair and honest manner.
3. An application for a license as an Underwriter's Representative, a Broker-Dealer's Representative or an Investment Manager's Representative shall be submitted to Bapepam in 4 (four) copies using form Number V.B.1-1 of this rule supported by the following

documents:

- a. curriculum vitae;
 - b. a certificate from the Committee on Professional Standards or proof of experience in the capital market;
 - c. a written statement indicating that he or she is not working in another Securities Company;
 - d. identity card (KTP) or passport;
 - e. a work permit for non-Indonesians; and
 - f. 4 (four) current 4x6 cm photographs.
4. In processing an application for a Securities Company Representative license, Bapepam will examine the completeness and the correctness of the documents, and conduct interviews with the applicant.
 5. If the application for a Securities Company Representative license does not meet the requirements, Bapepam will notify the applicant stating that :
 - a. the application is incomplete, using Form Number V.B.1-2, attachment .2 of this rule; or
 - b. the application is rejected, using form Number V.B.1-3, attachment 3 of this rule.
 6. If the license application meets the requirements, Bapepam will grant a Securities Company Representative license, using Form Number V.B 1-4, attachment 4 of this rule.
 7. An individual who already has a license as an Underwriter's Representative or as a Broker-Dealer's Representative but not as an Investment Manager's Representative, may engage in investment advisory services only to the extent that such activity is solely incidental to the conduct of his/her business of dealing in Securities and no special compensation is received for the investment advisory services.
 8. If an individual, who has a license as an Underwriter's Representative or as a Broker-Dealer's Representative, is not employed by a Securities Company for a period exceeding 24 consecutive months, in order to engage in such activities again, such individual must take the examination given by the Committee on Professional Standards referred to in item 2 letter a of this rule.
 9. An individual who has a license as a Securities Company's Representative, must report to Bapepam within 14 (fourteen) days after the date such individual leaves a Securities Company or moves to another company.
 10. With the effectiveness of this rule, an individual who has a license as an Investment Adviser prior to the effectiveness of this rule is considered to be licensed as an Investment Manager's Representative.

FORM NUMBER : V.B.1-1

Attachment : 1
 Rule Number : V.B.1

Number : ,19..
 Enclosure :
 Subject : Application for a license as
 a Representative of

To:
 The Chairman of Bapepam

At –
 Jakarta

We, hereby submit an application for a license as a Representative of and submit for your consideration the following data:

1. Name :
2. Full Address :

 (Street & Number)
 -□□□□□
 (City & Postal Code)
3. Telephone Number :

To complete this application, we submit the following documents :

1. curriculum vitae;
2. a certificate from the professional standards committee or proof of experience in the Capital Market;
3. a statement that the applicant does not concurrently work for another Securities Company (for those who have ever worked in a Securities Company) using attachment 1 of this form;
4. a copy of an Identity Card (KTP) or passport;
5. work permit for non-Indonesians;
6. 4 (four) current of 4X6 cm photographs; and
7. Answers to the questions, using attachment 2 of this form.

Thank you for your Attention.

Applicant

Stamp duty

.....

(full name)

FORM NUMBER V.B.1-1

Attachment : 1

STATEMENT LETTER

I, the undersigned:

Name :

Title :

Address :

.....

.(Street & Number)

..... -□□□□□ (City & Zip Code)

state that I do not work for another securities company and I work only for PT

The statements herein are correct and complete and may be used for the purposes submitted.

.....,

(place and date)

Applicant,
stamp duty

.....

(full name)

FORM NUMBER : V.B.1-1

Attachment : 2
Rule Number : V.B.1

LIST OF QUESTIONS

I. INSTRUCTIONS FOR ANSWERING THE QUESTIONS

1. All questions must be answered by the Applicant.
2. Put a ✓ mark in the box in front of the word “yes”, if your answer is “Yes”, or put a ✓ mark in the box in front of the word “no” if the answer to the question is “no”.

For each “yes” answer, the respondent must provide a clear and detailed explanation which shall include:

- a. related institutions;
- b. cases and dates of the action taken;
- c. the court or institution taking the action; and
- d. the action taken and sanction imposed.

II. THE INTEGRITY OF THE APPLICANT, CONTROL PERSONS OR DIRECTORS AND COMMISSIONERS

Definition

Investment is any activity pertaining to securities, banking, insurance or real estate and includes activities either directly or indirectly related to Securities Companies, Investment Advisers, Banks or other companies that are engaged in the financial sector.

Please answer the following questions:

1. In the past ten years has the respondent been convicted of or pleaded guilty or nolo contendere (no contest) to:
 - a. a crime related to investment?

<input type="checkbox"/> yes	<input type="checkbox"/> no
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 - b. Any other crime ?

<input type="checkbox"/> yes	<input type="checkbox"/> no
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2. Has any court :
 - a. ever declared the respondent to be bankrupt ?

<input type="checkbox"/> yes	<input type="checkbox"/> no
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 - b. in past ten years enjoined the respondent in connection with any investment-related activity ?

<input type="checkbox"/> yes	<input type="checkbox"/> no
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- c. declared the respondent to have been guilty of a violation of investment regulations?
- yes no

3. Has Bapepam ever :

- a. found the respondent to have made a false or negligent statement?
- yes no
- b. found the respondent to have been involved in a violation of Capital Market regulations?
- yes no
- c. found that the respondent caused an investment-related business to have its license or authorization to do business denied, suspended, revoked, or restricted ?
- yes no
- d. entered an order denying, suspending, or revoking the license, approval or Registration Statement, or otherwise sanctioned or restricted the respondents' activities ?
- yes no

4. Has any other authorized institution:

- a. ever found the respondent to have made a false or misleading, statement or been dishonest, unfair, or unethical ?
- yes no
- b. ever found the respondents to have been involved in a violation of applicable investment regulations, decrees or statutes ?
- yes no
- c. found that the respondent was the cause of an investment-related business having its license or authorization to do business denied, suspended, revoked, or restricted ?
- yes no
- d. entered an order prohibiting the respondent's activities in connection with investments in the past 10 (ten) years?
- yes no
- e. denied, suspended, or revoked the respondent's license, in connection with investment activities?
- yes no
- f. revoked or temporarily suspended the the respondent's license as capital Market supporting Professional i.e. accountant, notary, attorney or appraisal ?
- yes no

5. Has any securities exchange ever :
- a. found the respondent to have made a false or misleading statement?
 - yes no
 - b. Found the respondent to have been involved in a violation of Securities Exchange rules?
 - yes no
 - c. disciplined the respondent cancelling or suspending a Securities Exchange membership or by barring or suspending the respondent from association with other members, or by otherwise restricting the respondent's activities?
 - yes no
6. Has any foreign government court found the respondent guilty of a criminal act or civil violation related to investment activities?
- yes no
7. Is the respondent now the subject of any court proceedings?
- yes no
8. Does the respondent have any commitment, covenant, or liability to another person whose case is being processed or has been decided by a Court ?
- yes no
9. Put a ✓ mark in the type(s) of Securities Company's Representative licenses for which this application is submitted.

	Main Activities	Proposed Activities
Underwriter Representative		
Broker-dealer Representative		
Investment Manager Representative		

10. Name of the Securities Company where the respondent works or is going to work (if any)?
11. Is the respondent working in a non-securities business? (if the answer is "Yes", describe each business activity, if necessary provide the information on a separate page.
- yes no

.....,

(place and date)

Respondent

.....

(full name)

FORM NUMBER : V.B.1-2

Attachment : 2
Rule Number : V.B.1

Number : S- /PM/19 Jakarta,.....19..
Enclosure :
Subject : Notification of missing data in the application for a license as a representative of
To:
.....
.....
at –
.....

Referring to Your letter Numberdate regarding your application for a license as a representative of, we hereby notify you that your application is incomplete because it does not contain the following:

1.
2.
3.

With respect to the above matter, we hereby inform you that we cannot complete processing your application until you submit additional information listed above.
Please, be advised accordingly

CAPITAL MARKET SUPERVISORY
AGENCY
Chairman,

.....
NIP.....

- Cc
1. Secretary of Bapepam
 2. Heads of Bapepam Bureaus

FORM NUMBER : V.B.1-3

Attachment : 3
Rule Number : V.B.1

Number : S- /PM/19 Jakarta,.....19..
Enclosure :
Subject : Rejection of an Application
for a License as a representative of
.....

To:
.....
.....
At –
.....

Referring to your letter number : dated regarding, we hereby inform you that your application is rejected for the following reasons:

1.
2.
3.

Please be advised accordingly.

CAPITAL MARKET SUPERVISORY
AGENCY
Chairman

.....
NIP.....

- cc:
1. Secretary of Bapepam
 2. Heads of Bapepam Bureaus

FORM NUMBER : V.B.1-4

Attachment : 4
Rule Number : V.B.1

Number : Kep-.../PM/19.. Jakarta,.....19..
Enclosure :
Subject : Granting Of A License As A
Representative Of
.....

To:
PT
at –
Jakarta

Reading : The application for a license as a representative of date

Considering : that your application meets the requirements established for granting you a license to be a representative of

- Bearing in mind:
1. Law Number 8, of 1995 concerning the Capital Market (Statute Book Number 64, 1995, Additional Statute Book Number 3608);
 2. Regulation of the Government of the Republic of Indonesia Number 45, 1995 concerning Capital Market Organization (Statute Book Number 86, 1995, Additional Statute Book Number 3617);
 3. Decision of the Chairman of the Capital Market Supervisory Agency, Number KEP-/PM/1996 concerning Licensing of Securities Company Representatives

HAS DECIDED

To Stipulate : CAPITAL MARKET SUPERVISORY AGENCY DECISION ON GRANTING A SECURITIES COMPANY REPRESENTATIVE LICENSE TO.....

Article 1

Granting a Securities Company Representative license to....., whose address is

Article 2

This decision is effective as of the date issued.

Article 3

If this decision is found to be defective, it will be corrected.

Stipulated in : Jakarta

on :

CAPITAL MARKET SUPERVISORY
AGENCY
Chairman,

.....
NIP.

cc:

1. Secretary of Bapepam
2. Heads of Bapepam Bureaus