

RULE NUMBER IX.C.10 : GUIDELINES FOR THE FORM AND CONTENTS OF A PROSPECTUS FOR ASSET BACKED SECURITIES

Attachment :

Decision of the Chairman of Bapepam
 Number : Kep-51/PM/1997
 Date : December 26, 1997

A prospectus must contain details and material facts regarding the Asset Backed Securities that are known or should be known by the Investment Manager, in addition to the information that is specified by this rule. The Prospectus must be clear and communicative. Important facts and opinions must be summarized and disclosed at the beginning of the Prospectus. The sequence of facts in the Prospectus is determined by their relevance to the specific issue, not by this rule

The Investment Manager must be prudent in the use of photographs, charts, or tables in the Prospectus, because such materials may mislead the public. The Investment Manager must also highlight important information and facts clearly in order to attract the attention of readers.

The Asset Backed Securities Prospectus shall contain at least the following information:

1. Information that must be included or disclosed on the cover of the Prospectus:
 - a. The full name, address, logo (if any), telephone, telex, facsimile number, and post office box address of the office of the Investment Manager and the Custodian Bank;
 - b. the effective date;
 - c. the offering period;
 - d. the allocation date, if any;
 - e. The subscription refund date, if any;
 - f. The Asset Backed Securities certificate delivery date;
 - g. The name of the Securities Exchange(s) and the plan for listing, if any;
 - h. a brief explanation of the type of assets that make up the Asset Backed Securities portfolio;
 - i. characteristics, number, price and brief information regarding the rights of holders of the Asset Backed Securities;
 - j. The full name of the Managing Underwriter and all other Underwriters, if any;
 - k. the full name of the Investment Manager;
 - l. the full name of the Bank Custodian;
 - m. the place and date the Prospectus was issued;
 - n. a rating of the Asset Backed Securities by a Rating agency licensed by Bapepam;
 - o. the following statement in capital letters:

**BAPEPAM HAS NOT APPROVED OR DISAPPROVED THESE SECURITIES,
 NOT HAS IT PASSED UPON THE ACCURACY OR ADEQUACY OF THIS**

PROSPECTUS. ANY CONTRADICTING REPRESENTATION THERETO IS ILLEGAL;

- p. a statement by the Investment Manager and the Underwriter(if any) in capital letters as follows:

THE INVESTMENT MANAGER AND UNDERWRITER (IF ANY) ARE FULLY RESPONSIBLE FOR THE ACCURACY OF INFORMATION OR MATERIAL FACTS AND THE OBJECTIVITY OF OPINIONS INCLUDED IN THE PROSPECTUS; and
- q. a statement in capital letters that attracts the attention of readers regarding risk factors of the offered Securities;
- 2. a table of contents;
- 3. brief information regarding important matters relating to the Asset Backed Securities with reference to the page numbers in the Prospectus where a more detailed explanation may be found ;
- 4. information regarding the Asset Backed Securities, such as:
 - a. cash flow projections and financial projections for the Asset Backed Securities Collective Investment Contract;
 - b. beginning financial statements of the Asset Backed Securities Collective Investment Contract that have been audited by an Accountant registered with Bapepam along with an opinion of the Accountant;
 - c. information regarding the Originator of the financial assets in the Collective Investment Contract portfolio along with historical data regarding payments of such financial assets;
 - d. an estimate of the performance of the Collective Investment Contract for each class of Asset Backed Securities units, and each unit of Asset Backed Securities within each segment based on economic matters including extreme conditions;
 - e. information regarding the weighted average maturity date of the financial assets of the Asset Backed Securities Collective Investment Contract portfolio and the possibility of payment before the maturity date;
 - f. provisions regarding reinvestment of the cash flow of the Collective Investment Contract, if any;
 - g. information regarding whether the Asset Backed Securities are appropriate investments for institutional investors;
 - h. procedures for reporting to the holders of Asset Backed Securities;
 - i. accounting treatment or standards that apply and the frequency of investigations by an Accountant; and
 - j. an explanation of the method of distributing the Asset Backed Securities, if any;
- 5. experience of the Investment Manager with respect to Asset Backed Securities;
- 6. experience of the Bank Custodian with respect to Asset Backed Securities;
- 7. insurance and other guarantees, if any;
- 8. taxation with respect to the Asset Backed Securities including taxes on domestic and well as foreign owners;
- 9. a rating from a rating agency that has been licensed by Bapepam;
- 10. an opinion from a Legal Consultant registered with Bapepam covering such things as the validity of agreements relating to the Asset Backed Securities, rights and obligations of each class of Asset Backed Securities holders and matters that relate to the financial assets

of the Collective Investment Contract;

11. the name, address, and responsibilities of the Securities Administration Agency if any, the Originator, the Servicer, and the Rating Agency;
12. risk factors such as:
 - a. the liquidity risk and market risk of the Asset Backed Securities;
 - b. the risk of changes in currency exchange rates and interest rates;
 - c. credit risk on financial assets in the Asset Backed Securities Collective Investment Contract portfolio;
 - d. risk of prepayment of the financial assets in the Asset Backed Securities Collective Investment Contract portfolio before maturity;
 - e. operational risks with respect to the activities of the Investment Manager, the Bank Custodian and the Servicer; and
 - f. risks relating to legal aspects;
13. credit or cash flow enhancements, if any;
14. rights of Asset Backed Securities holders with respect to, among other things, rights to receive:
 - a. financial as well as periodic reports;
 - b. information regarding taxes that must be paid by owners of Asset Backed Securities; and
 - c. payments to owners of Asset Backed Securities; and
15. procedures and requirements for ordering Asset Backed Securities.