

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

**DECISION OF CHAIRMAN OF THE CAPITAL MARKET AND FINANCIAL  
INSTITUTION SUPERVISORY AGENCY  
NUMBER : KEP- 68/BL/2007**

**CONCERNING**

**GUIDELINES FOR FORM AND CONTENT OF SUMMARY PROSPECTUS  
FOR MUNICIPAL BOND PUBLIC OFFERING**

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

- Considering : In order to create an administrative orderliness and legal certainty in preparing summary prospectus for Municipal Bond Public Offering, it is deemed necessary to issue Capital Market and Financial Institution Supervisory Agency concerning Guidelines For Form and Content of Summary Prospectus for Municipal Bond Public Offering;
- In View of :
  1. Law Number 8 Year 1995 concerning the Capital Market (Statute Book Year 1995 Number 64, Supplement to Statute Book Number 3608);
  2. Law Number 32 year 2004 concerning Regional Governance (Statute Book year 2004 Number 125, Supplement to Statute Book Number 4437);
  3. Law Number 33 year 2004 concerning Revenue Sharing Between the Central Government and the Regional Governance (Statute Book year 2004 Number 126, Supplement to Statute Book Number 4438);
  4. Government Regulation Number 45 year 1995 concerning the Management of Activities in the Capital Market Area (Statute Book year 1995 Number 86, Supplement to the Statute Book Number 3617) as revised by Government Regulation Number 12 year 2004 (Statute Book year 2004 Number 27, Supplement to Statute Book Number 4372);
  5. Government Regulation Number 46 year 1995 concerning the Capital Market Formal Investigative Procedures (Statute

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Book year 1995 Number 87, Supplement of Statute Book Number 3618);

6. Government Regulation Number 54 Year 2005 concerning Regional Loan (Statute Book Year 2005 Number 136, Supplement of Statute Book Number 4574)
7. Decree of the President of the Republic of Indonesia Number 45/M year 2006;
8. The Ministry of Finance Regulation Number 147/PMK.07/2006 concerning Procedure for Issuance, Accountability, and Publication of Municipal Bond;

HAS DECIDED :

To Issue : DECISION OF CHAIRMAN OF CAPITAL MARKET AND FINANCIAL INSTITUTION SUPERVISORY AGENCY CONCERNING GUIDELINES FOR FORM AND CONTENT OF SUMMARY PROSPECTUS FOR MUNICIPAL BOND PUBLIC OFFERING

Article 1

Provisions concerning Guidelines For Form and Content of Summary Prospectus for Municipal Bond Public Offering are regulated in Rule Number IX.C.14 as stipulated in the attachment of this Decision.

Article 2

Rule Number IX.C.14 as stipulated in the attachment of this Decision applies to the preparation of Summary Prospectus used as Municipal Bond Public Offering Registration Statement documents submitted to Capital Market and Financial Institution Supervisory Agency on or after the day of the promulgation of this Decision.

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Article 3

This decision shall become effective since the date of its enactment.

In order for the public to be aware of this Decision, it is hereby ordered that this Decision be published on the State Gazette of the Republic of Indonesia.

Enacted in : Jakarta  
Date : April 13, 2007

**Chairman of the Capital Market and  
Financial Institution Supervisor Agency**

signed

**A. Fuad Rahmany**  
NIP 060063058

**ATTACHMENT**

Decision of the Chairman of Capital  
Market and Financial Institutions  
Supervisory Agency (CMFISA)

Number : Kep- 68/BL/2007

Date : 13 April 2007

**RULE NUMBER IX.C.14:**

**GUIDELINES FOR FORM AND CONTENT  
OF SUMMARY PROSPECTUS FOR  
MUNICIPAL BOND PUBLIC OFFERING**

1. All of the definitions stated in Rule Number IX.C.12 concerning Guidelines For Form and Content of Registration Statement for Municipal Bond Public Offering also apply to this Rule.
2. A summary prospectus must contains all important and relevant information or fact about event or fact that may influence securities price on a Stock Exchange and or investor's, prospective investor's decision, or other Party who has interests in that information or fact, that is known or should be known by the Head of Region, Vice Head of Region, Bond Management Unit Manager / Regional Tool Task Force, Project Manager, Project Treasurer, Managing Underwriter (if using Underwriter)
3. Summary Prospectus must contain data and information that, as a whole, is similar to those contained in the Prospectus and it must be presented in such a way to provide complete, sufficient, objective, clear and easy to understand information.
4. Data and information in the summary prospectus must be presented in the following sequence:
  - a. Information concerning the planned Public Offering schedule, consists of :
    - 1) Effective date;
    - 2) Offering period;
    - 3) Municipal Bond certificate submission date;
    - 4) Allotment date;
    - 5) Refund date;
    - 6) Listing date on the Stock Exchange (if any); and
    - 7) Stock Exchange where the Municipal Bond is listed (if any).

- b. A statement written in capital letter that can directly attract the reader attention :
  - 1) The information contained in this document may still be completed and or changed. the registration statement for this municipal bond has been submitted to capital market and financial institutions supervisory agency, but it has yet to obtain letter of effectiveness. subscription of this municipal bond can only be conducted after the candidate investor or subscriber has received or had the opportunity to read the prospectus;
  - 2) Capital market and financial institution supervisory agency does not approve or disapprove this municipal bond, nor does it provide statement about accuracy or adequacy of this prospectus.. any contradicting representation thereto is illegal.” and
  - 3) The region and managing underwriter(s) (if any) are fully responsible for the accuracy of information or material facts, and objectivity of opinions included in this prospectus.”
- c. Information concerning the full name, address, logo, phone number, facsimile number, email address (if any), website (if any) and PO BOX (if any) of the Region Government Office and the Project funded by the Municipal Bond;
- d. Data and information regarding the Municipal Bond Public Offering, consist of :
  - 1) Type of the offering, including description about nature, total nominal amount and brief description about the offered Municipal Bond;
  - 2) The number of bonds, numbering (if in a form of script), and denomination of the Municipal Bond that will be offered;
  - 3) Summary of nature of the Municipal Bond, including early redemption initiated by the Region or the Municipal Bond holder, or buy back (if any);
  - 4) Offering price, interest rate, discount rate or premium of the Municipal Bond. If using floating rate, a complete description of how to determine the rate must be disclosed;
  - 5) Date(s) of Municipal Bond principal payment, and amount of principal that must be paid on those dates;
  - 6) Dates of interest payment or other types of payment;
  - 7) Summary of the Municipal Bond redemption fund requirements;

- 8) Name, address of the Regional Government Office, and description regarding party acting as Municipal Bond underwriter (if any) and Trustee;
  - 9) Summary of the principal requirements stated on the trustee agreement, including items related to seniority of the Municipal Bond as compared to other types of the Region's debt that has not been fully paid and additional loan that might be made by the Region in the future;
  - 10) The Project and the Region's goods attached to the Project that is pledged for the Bonds (if any).
  - 11) Description about the sinking fund.
  - 12) Municipal Bond Appraiser Report from the Appraiser company (if any)
  - 13) Full name of the Managing Underwriter and the Underwriter (if any); and
  - 14) Planned place and date of the issuance of the prospectus
- e. A statement that prohibits every Party involved in the Public Offering to provide information or statement about the data not that is not disclosed in the Prospectus without written consent from the Region and Managing Underwriter (if any), unless otherwise stated by the regulations.
  - f. Information in a short statement, written in capital letter that can attract reader attention, about liquidity risk of the Municipal Bond and main risk of the Region and the Project funded by the Municipal Bond;
  - g. Data and summary of information concerning the use of fund raised from the Public Offering;
  - h. Data and summary of information concerning analysis of the Regions, which consist :
    - 1) Financial performance analysis on the latest year financial statement, consist among other of:
      - a) Asset;
      - b) Liability;
      - c) Revenue;
      - d) Expenditure; and
      - e) Remaining budget balance (surplus or deficit) ;
    - 2) discussion on material contract for capital goods investment that covers the purpose of the contract, source of fund expected to

- finance the contract, currency of the denominator, and steps that will be taken by the Region to manage currency risk (if any); and
- 3) Discussion and analysis about the reported financial information that contains extraordinary and infrequent event (if any);
- i. Data and information concerning important event after auditor report date;
  - j. Data and information concerning changes in rule and regulation that have significant influence on the Region and their impact to the financial statement (if any);
  - k. Data and information concerning changes in accounting policy, reason and their impact to the financial statement (if any);
  - l. Data and information concerning risk faced by the Region and Project that are arranged based on the weight of the risk involved.
  - m. Summary of data and information concerning the Project funded by the Municipal Bond that at least contain the following items:
    - 1) Name of the Project Manager and Treasurer;
    - 2) General information concerning the Project, which involves:
      - a) Name;
      - b) Location;
      - c) Background;
      - d) Purpose;
      - e) Benefit;
      - f) value;
      - g) Licenses related to the Operation
      - h) Period; and
      - i) Project implementation steps;
  - n. Summary of data and information concerning the feasibility study of the Project and Project business, consisting description on the important items on the feasibility study of the project and project business that has been conducted by the appraiser that contain at least method, assumption, and opinion of the project feasibility;
  - o. Summary of Data and information concerning commercial project implementation plan, which at least include the following items:
    - 1) when the Project commercially started;
    - 2) Project operational implementation unit;
    - 3) Project revenue and capacity forecast;

- 4) Dependability level on certain buyers including government;
  - 5) competition in the industry;
  - 6) Description on marketing aspect which include marketing region and system; and
  - 7) Explanation concerning prospect of the business and the project;
- p. Summary of data and information concerning Region, which covers:
- 1) Regional management including name of Head of Region and Vice Head of Region;
  - 2) Facility and infrastructure that is owned;
  - 3) Natural resources; and
  - 4) Name of companies owned by the Region and the respective percentage of ownership;
- q. Data and information concerning summary of important financial data, which at least include the following:
- 1) A statement that the financial statement is the source of data;
  - 2) A statement that the financial statement has been audited and get an opinion from the auditor and an explanation about the period covered by the financial statement;
  - 3) Financial ratios that are relevant to the Region; and
  - 4) Important financial data from at least the last financial year;  
Data that is presented, including accounts' names, must be consistent with the financial statement.
- r. Data and information concerning taxation aspect, describing tax, including tax facility, that is applicable to the investor, Project and the Region, and the tax facility received;
- s. Information concerning name of Capital Market Supporting Professionals and institutions;
- t. Data and information concerning securities underwriting, including name of the Managing Underwriter and Underwriter, type of underwriting, and the underwriting percentage. If the underwriter is affiliated to the Region, the relationship must be disclosed.
- u. Information concerning the Municipal Bond subscription requirements, which at least covers the following items:
- 1) Municipal Bond subscription submission;
  - 2) Criteria for acceptable Municipal Bond subscription;
  - 3) The number of Municipal Bond that can be subscribed;



- 4) Municipal Bond subscription form submission;
  - 5) Municipal Bond payment requirements;
  - 6) Municipal Bond subscription receipt form;
  - 7) Municipal Bond allotment method;
  - 8) Municipal Bond subscription cancellation;
  - 9) Refund of Municipal Bond subscription fund; and
  - 10) Delivery of Municipal Bond collective certificate; and
- v. Information concerning Prospectus distribution and Municipal Bond subscription form, consisting name, address and phone number of the Underwriter and Securities Selling Agents where the Municipal Bond and subscription form can be obtained.
5. By no means of undermining criminal provisions in capital market, Capital Market and Financial Institution Supervisory Agency may impose sanction against any violation of this rule, as well as against any Person who causes such violation to occur.

Enacted in Jakarta  
On April 13, 2007

Chairman of the Capital Market and  
Financial Institution 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