MINISTRY OF FINANCE OF REPUBLIC OF INDONESIA  
CAPITAL MARKET SUPERVISORY AGENCY  

DUPLICATE OF  
DECISION OF CHAIRMAN OF CAPITAL MARKET SUPERVISORY AGENCY  
NUMBER: KEP- 20/PM/2003  

CONCERNING  
MAINTENANCE AND REPORTING OF NET ADJUSTED WORKING CAPITAL  

CHAIRMAN OF CAPITAL MARKET SUPERVISORY AGENCY,  

Considering : that in order to strengthen financial condition and operational ability of securities companies and parallel with the increase of paid-in capital of securities companies as enacted by the Decree of Minister of Finance Number 179/KMK.010/2003 dated May 5, 2003 concerning Shares Ownership and Capital of a Securities Company, it is deemed necessary to adjust Net Adjusted Working Capital for securities companies by promulgating a new Decision of the Chairman of Capital Market Supervisory Agency;  

In view of : 1. Law Number 8 of 1995 concerning Capital Market (Statute Book Year 1995 Number 64, Supplement to the Statute Book Number 3608);  
2. Government Regulation Number 45 of 1995 concerning Capital Market Organization (Statute Book Year 1995 Number 86, Supplement to Statute Book Number 3617 );  
3. Government Regulation Number 46 of 1995 concerning Capital Market Formal Investigative Procedure (Statute Book Year 1995 Number 87, Supplement to Statute Book Number 3618 );  
4. President of Indonesia Decree Number 7/M of 2000;  

HAS DECIDED:  

To issue : DECISION OF CHAIRMAN OF CAPITAL MARKET SUPERVISORY AGENCY CONCERNING MAINTENANCE AND REPORTING OF NET ADJUSTED WORKING CAPITAL.  

Article 1  

Provisions concerning maintenance and reporting of net adjusted working capital, are regulated in Rule Number V.D.5 as stipulated in the attachment of this Decision.
Article 2

(1) For Securities Companies that carry on business as Underwriter that have already had a business license from Bapepam before the enactment of this Decree, must adjust with provision as mentioned in the item 1 letter a of the attachment of this Decree, with provision as follows:
   a. No later than December 31, 2003 must have Net Adjusted Working Capital of at least Rp 10.000.000.000,00 (ten billions rupiah);
   b. No later than December 31, 2004 must have Net Adjusted Working Capital of at least Rp 25.000.000.000,00 (twenty-five billions rupiah).

(2) For Securities Companies that carry on business as Broker-Dealer which perform securities account administration that have already had a business license from Bapepam before the enactment of this Decree, must adjust with provision as mentioned in the item 1 letter b of the attachment of this Decree, with provision as follows:
   a. No later than December 31, 2003 must have Net Adjusted Working Capital of at least Rp 10.000.000.000,00 (ten billions rupiah);
   b. No later than December 31, 2004 must have Net Adjusted Working Capital of at least Rp 25.000.000.000,00 (twenty-five billions rupiah).

(3) For Securities Companies that carry on business as Underwriter and Investment Manager that have already had a business license from Bapepam before the enactment of this Decree, must adjust with provision as mentioned in the item 1 letter e of the attachment of this Decree, with provision as follows:
   a. No later than December 31, 2003 must have Net Adjusted Working Capital of at least Rp 10.200.000.000,00 (ten billions and two hundred millions rupiah);
   b. No later than December 31, 2004 must have Net Adjusted Working Capital of at least Rp 25.200.000.000,00 (twenty-five billions and two hundred millions rupiah).

(4) For Securities Companies that carry on business as Broker-Dealer which perform securities account administration and Investment Manager that have already had a business license from Bapepam before the enactment of this Decree, must adjust with provision as mentioned in the item 1 letter f of the attachment of this Decree, with provision as follows:
   a. No later than December 31, 2003 must have Net Adjusted Working Capital of at least Rp 10.200.000.000,00 (ten billions and two hundred millions rupiah);
   b. No later than December 31, 2004 must have Net Adjusted Working Capital of at least Rp 25.200.000.000,00 (twenty-five billions and two hundred millions rupiah).
MINISTRY OF FINANCE OF REPUBLIC OF INDONESIA
CAPITAL MARKET SUPERVISORY AGENCY

Article 2

With the enactment of this Decision, the Decision of Chairman of Bapepam Number: Kep-27/PM/1999 December 31, 1999, is declared revoked.

Article 3

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

Enacted in : Jakarta
Date : May 8, 2003

Chairman Of Capital Market Supervisory Agency

signed

Herwidayatmo
NIP 060065750

Based on the original documents
Executive Secretary

Pande Putu Raka
NIP 060034443
ATTACHMENT
Decision of Chairman of Bapepam
Number: Kep-20/PM/2003,
Date: May 8, 2003

RULE NUMBER V.D.5 : MAINTENANCE AND REPORTING OF NET ADJUSTED WORKING CAPITAL

1. Every Securities Company must have Net Adjusted Working Capital, with the following provisions:
   a. Securities Company which carries on business as Underwriter must have Net Adjusted Working Capital at least IDR. 25,000,000,000.00 (twenty five billion Rupiah).
   b. Securities Company which carries on business as Broker-Dealer that administers client securities accounts must have Net Adjusted Working Capital at least IDR. 25,000,000,000.00 (twenty five billion Rupiah).
   c. Securities Company which carries on business as Broker Dealer that does not administer client securities accounts must have Net Adjusted Working Capital at least IDR. 200,000,000.00 (two hundred million Rupiah).
   d. Securities Company which carries on business as Investment Manager must have Net Adjusted Working Capital at least IDR. 200,000,000.00 (two hundred million Rupiah).
   e. Securities Company which carries on business as both Underwriter and Investment Manager must have Net Adjusted Working Capital at least IDR. 25,200,000,000 (twenty five billion and two hundred million Rupiah).
   f. Securities Company which carry on business as both Broker Dealer that administers client securities accounts and Investment Manager must have Net Adjusted Working Capital at least IDR. 25,200,000,000 (twenty five billion and two hundred million Rupiah).

2. Securities Companies must prepare reports on Net Adjusted Working Capital by using Forms V.D.5-1, V.D.5-2, V.D.5-3, and V.D.5-4, with the following requirements:
   a. These reports must be signed by a director of the Securities Company and kept in the Accounting Division of the Securities Company head office; and
   b. These reports must be prepared in digital format with the rows and columns referring to this rule and sent in a diskette or by E-mail in accordance with technical specification determined by Bapepam for each Securities Company.

3. On each workday by 09:00 West Indonesian Time, Securities Company must maintain and report to Bapepam, the Stock Exchange (for member), and the Clearing Guarantee Corporation (for member) its Net Adjusted Working Capital as referred in to item 2, showing the closing position as of the previous day.


5. Securities Company must submit monthly report on statistics of the activities in digital format by using Form V.D.5-5, to Bapepam not later than on the fifth workday of the following month. Delay in submission of this report is subject to fine pursuant to article 63, letter c, Government Regulation Number 45 of 1995 regarding Engaging Activities in Capital Market.
6. When Securities Company fails to meet the Net Adjusted Working Capital requirements referred in to item 1, on the next day the Securities Company must:
   a. Halt the opening of Securities Account for new clients;
   b. Halt the transactions that will increase long or short positions in the company’s own portfolio, except to exercise or sell the preemptive rights.
   c. Halt all transactions that will increase the debit balance or short position in the account of clients.
   d. Halt all purchases and sales for the account of clients, except for trades that reduce short positions or debit balances or the exercise or sale of preemptive rights, when the deficiency of Net Adjusted Working Capital is more than 20 % of the amount required;
   e. Submit to Bapepam a plan that include the schedule, the method, and the manner of increasing the capital, reducing business activities, or going out of business, with copies to the Securities Exchange of which the Securities Company is a member.

7. Bapepam may approve, disapprove, or request improvements in the Securities Company’s plan indicated in letter e, item 6 of this rule.

8. On each day that the Securities Company continues to be in violation of the Net Adjusted Working Capital requirement, the Securities Company must report in writing as to the implementation of the plan mentioned in letter e, item 6, of this rule to Bapepam and the Exchange of which the Securities Company is a member.

9. Bapepam shall cancel the business license of the Securities Company and require the Securities Company to submit a plan for settling all liabilities to clients, when the Securities Company fails to meet the Net Adjusted Working Capital requirements for a continuous period of more than 30 days or more than 60 days in any 12 month period.

10. The Inspection Unit of the Securities Exchange must conduct an on-site inspection of each exchange member that fails to meet the Net Adjusted Working Capital requirement, not later than 13:00 (West Indonesian Time) of the next day or on the day on which the member fails to submit a Net Adjusted Working Capital report, with the following requirements:
    a. The Securities Exchange Inspection Unit must supervise the activities of the Exchange Member that is in violation of the Net Adjusted Working Capital rule, in order to ensure that the Exchange Member does not do any activities prohibited by this rule;
    b. The Securities Exchange Inspection Unit must report immediately to Bapepam each act of the exchange member that is in violation of this rule and the sanction imposed by the Exchange to the member.

11. The Securities Exchange Inspection Unit must report to Bapepam not later than 15:00 (West Indonesian Time) of the next day after initiating in the inspection indicated in item 10 of this rule, with respect to the following matters:
    a. A report on compliance with respect to rule number V.D.3 on Internal Controls and Maintenance of Books and Records by Securities Companies;
    b. Whether or not it is necessary to impose greater limitations of the activities of the Exchange Member for the purpose of protecting the interests of clients; and
    c. An evaluation as to feasibility of the plan sent to Bapepam by the Exchange Member to ensure that the plan is feasible to be implemented.
12. Directors of the Securities Company that supervise activities as broker-dealer or underwriter must attend a continuing education program managed by the Professional Standard Committee, every three years to enhance their understanding on the following matters:
   a. Rule Number III. A.10 on Securities Transactions;
   b. Rule Number V.D.3 on Internal Controls and Books Keeping of Securities Companies;
   c. Rule Number V.D.4 on Control and Protection of Securities deposited with Securities Companies;
   d. Rule Number V.D.5 on Maintenance and Reporting of Net Adjusted Working Capital;
   e. Information that must be reported in forms V.D.5-1, V.D.5-2, V.D.5-3, V.D.5-4, and V.D.5-5; and
   f. Rule number VI.A.3 on Securities Accounts at Custodians.

13. Accountants that audit financial reports of Securities Companies must verify the calculations of Net Adjusted Working Capital, using a random sample of 15 work days during the year, and give an opinion as to whether Net Adjusted Working Capital was based on correct information and whether the calculation was performed and reported correctly.

14. Without least affecting the effectiveness of criminal provision of the Capital Market, Bapepam has the authority to impose sanction on any Party that violates this rule or any Party that causes the violation of this rule.

Signed in Jakarta
On May 8, 2003
Chairman of the Indonesian Capital Market Supervisory Agency

Herwidayatmo
NIP 060065750

Copied as appears on the original version
Executive Secretary

Pande Putu Raka
NIP 060034443