

**RULE NUMBER V.E.1 : CODE OF CONDUCT FOR SECURITIES
COMPANIES ACTING AS BROKER-DEALERS.**

Attachment :
Decision of the Chairman of Bapepam
Number : Kep-29/PM/1996
Date : January 17, 1996
Substitute Prior Decision
Number: Kep-88/PM/1991
Date : October 5, 1991

1. Securities Companies must give priority to the interests of their clients prior to buying or selling for their own account.
2. When recommending that clients buy or sell Securities, Securities Companies must consider the financial condition and investment objectives of the clients.
3. When a Securities Company has an interest in Securities about which it makes recommendations, it must notify clients of that interest before the clients buy or sell the recommended Securities.
4. Securities Companies must give prior notification to their clients whenever a transaction with a client is executed for the company's own account or for the account of an Affiliated Person.
5. Securities Companies may not use Securities or cash received from a client as collateral for obtaining a loan for their own benefit without written approval from the client.
6. A Broker-Dealer Representative may not:
 - a. engage in Securities transactions that are not recorded on the books of the Securities Company in which he or she is employed; and
 - b. engage in a transaction on behalf of a client without appropriate authorization from the client.
7. A Broker-Dealer Representative must disclose relevant information that he or she knows regarding Securities whenever asked by clients.
8. A Securities Company may not give:
 - a. a recommendation to clients to buy, sell, or exchange Securities without considering the clients' investment objectives and financial condition; and
 - b. a guarantee against losses by clients in any Securities transaction.
9. A Securities Company Representative may not receive directly or indirectly part of a client's profit from any Securities transaction.
10. Securities Companies must put the hour, day, and date on all client's order forms.
11. Securities Companies must give a confirmation regarding a transaction for a client before the end of the exchange day following the transaction.
12. Securities Companies must issue a receipt whenever they receive Securities or cash from a client.

