

**RULE NUMBER III.C.5 : PROCEDURES FOR APPROVAL OF THE
ARTICLES OF ASSOCIATION OF A
CENTRAL SECURITIES DEPOSITORY**

Attachment :
Decision of the Chairman of Bapepam
Number : Kep-16/PM/1996
Date : January 17, 1996

1. The Articles of Association of a Central Securities Depository shall contain at least:
 - a. the purpose and objectives of the company to conduct activities as a Central Securities Depository
 - b. provisions regarding directors and commissioners which among other things include:
 - 1) qualifications of proposed directors and commissioners of the Central Securities Depository as required by Rule No III.C.3;
 - 2) the board of directors and the board of commissioners each shall be composed of no more than 7 (seven) people;
 - 3) the procedures for nominating proposed directors and commissioners
 - 4) the members of the board of directors and the board of commissioners shall be elected for a 3 (three) year term of office and may be reelected;
 - 5) the term of office of the directors must end at a different time than that of the commissioners; and
 - 6) a member of the board of directors of the Depository may not be a director, commissioner, or officer of another company.
 - c. provisions regarding shares which among other things shall include:
 - 1) the shares of the Central Securities Depository are registered and have equal par value and voting rights;
 - 2) the shares of the Central Securities Depository may be owned only by Securities Exchanges, Securities Companies, Securities Administration Agencies, Custodian Banks, or other Persons approved by Bapepam; and

- 3) in the event a Person who owns the shares of the Central Securities Depository is not qualified to be a Central Securities Depository shareholder, the shares must be transferred to a qualified Person within a period of 6 (six) months.
 - d. shares of the Central Securities Depository may be transferred only to Securities Exchanges, Securities Companies, Securities Administration Agencies, Custodian Banks, or other Persons approved by Bapepam; and
 - e. a provision that a Central Securities Depository may not distribute dividends to shareholders.
2. The Articles of Association of a Central Securities Depository and amendments thereto must be submitted to Bapepam for approval before submission to the Ministry of Justice.
3. The application for approval of the Articles of Association or amendments thereto must be submitted to Bapepam in 4 (four) copies, using Form III.C.5-1, attachment 1 of this rule, accompanied by the following documents :
 - a. the proposed Articles of Association or amendments to be approved;
 - b. the minutes of the General Meeting of Shareholders authenticated by a notary public;
 - c. the invitation to the General Meeting of Shareholders;
 - d. the agenda of the General Meeting of Shareholders; and
 - e. a list of participants at the General Meeting of Shareholders.
4. The Application should include an explanation which among other things covers the reasons for the amendments to the articles of association;
5. In processing the application referred to in item 3 of this rule, Bapepam will examine the proposed amendments of the Articles of Association.
6. Within a period of 30 (thirty) days after receiving the application, Bapepam will notify the applicant that:
 - a. the application is incomplete, using Form III.C.5-2 attachment 2 of this rule;
 - b. the application is rejected, using Form III.C.5-3 attachment 3 of this rule; or
 - c. the application is approved, using Form III.C.5-4 attachment 4 of this rule.
7. If Bapepam does not respond to the application within a period of sixty (60) days, as provided in item 6 of this rule, the proposed Articles of Association and amendments thereto shall become effective.

FORM NUMBER: III.C.5-1

Attachment : 1
Rule Number : III.C.5

Number : Jakarta,.....19..
Enclosure :
Subject : **Application for Approval of Amendments to Central Security
Depository Articles of Association**

To:
Chairman of Bapepam
At-
Jakarta

We hereby request approval of amendments to the Central Securities Depository's articles of association as follows:

1.
2.
3.

We submit the following explanation and documents for your consideration:

1.
2.
3.

Thank you for your attention.

PT

.....
(Full Name and Title)

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

FORM NUMBER: III.C.5-2

Attachment : 2
Rule Number : III.C.5

Number : Jakarta,.....19..
Enclosure :
Subject : **Request for Additional Information regarding the application for approval of an Amendment to a Central Securities Depository's Articles of Association**

To:
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At-

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Referring to your letter, Number dated subject
....., we hereby inform you that you need to submit additional data as follows:

1.
2.
3.

You should also understand that we cannot continue processing your application until you have submitted the information requested above.

Please be advised accordingly

CAPITAL MARKET
SUPERVISORY AGENCY

Chairman,

.....
NIP.

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

FORM NUMBER: III.C.5-3

Attachment : 3
Rule Number : III.C.5

Number : Jakarta,.....19..
Enclosure:
Subject : **Rejection of an Application for Approval of an Amendment to the Articles of Association of a Central Securities Depository**

To:
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At-
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Referring to your letter, Number dated applying for Approval of an Amendment to the Articles of Association of the Central Securities Depository, please be informed 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: III.C.5-4

Attachment : 4
Rule Number : III.C.5

Number : Jakarta,.....19..
Enclosure :
Subject : Approval of

an Amendment to the Central Securities Depository's Articles of Association

To:
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At-

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Referring to your letter number dated applying for approval of an amendment to the Central Securities Depository's articles of association, please be informed that your application for an amendment is approved.

Please be advised accordingly.

CAPITAL MARKET SUPERVISORY
AGENCY
Chairman,

.....
NIP.....

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