

## **RULE NUMBER V.C.1 : LICENSING OF INVESTMENT ADVISORS**

### Attachment

Decision of the Chairman of Bapepam

Number : Kep-26/PM/1996

Date : January 17, 1996

1. To become an individual Investment Advisor the applicant shall:
  - a. submit an application to obtain a business license as an Investment Advisor to Bapepam, using Form Number V.C.1-1, attachment 1 of this rule;
  - b. attach a copy of the Investment Manager Representative's license;
  - c. attach a detailed explanation of business activities including any operational means owned; and
  - d. be an Indonesian citizen.
  
2. To become an Investment Advisor in corporate form the applicant shall:
  - a. submit an application to obtain a business license as an Investment Advisor to Bapepam, using Form number V.C.1-1, attachment 1 of this rule;
  - b. attach the articles of association which show that the business activity of the company is to be an Investment Advisor;
  - c. be a company domiciled in Indonesia;
  - d. attach a copy of the license of an individual who is an Investment Manager Representative;
  - e. attach a description of proposed business activities;
  - f. possess operational facilities to support all activities as an Investment Advisor;
  - g. attach an organizational structure; and
  - h. attach a copy of a passport and work permit from the Ministry of Labor of Indonesia, for non-Indonesian personnel.
  
3. To become a Credit Rating Agency an applicant shall:
  - a. submit an application for obtaining a business license as Credit Rating Agency to Bapepam, using Form Number V.C.1-1, attachment 1 of this rule;
  - b. attach the articles of association which show that the business activity of the company

- is to be a Credit Rating Agency;
- c. possess the operational means to support all activities in the credit rating process;
  - d. attach a receipt of paid in capital and a financial statement audited by an Accountant registered with Bapepam, no more than 60 (sixty) days after the year end statement date;
  - e. have at least 1 (one) director and 1 (one) employee one level below the director who have Investment Manager Representative licenses;
  - f. attach a copy of a passport and a work permit from the Ministry of Labor of Indonesia for non-Indonesian personnel; and
  - h. attach the organizational structure;
4. When applications referred to item 1, 2 and 3 of this rule do not meet the requirements, Bapepam shall notify the applicant stating that:
- a. the application is incomplete, using Form Number V.C.1-2, attachment 2 of this rule;  
or
  - b. the application is rejected, using Form Number V.C.1-3, attachment 3 of this rule.
5. When an application referred to item 1, 2 and 3 of this rule has met the requirements, Bapepam shall issue a license as an Investment Advisor using Form Number V.C.1-4, attachment 4 of this rule.

**FORM NUMBER: V.C.1-1**

Attachment : 1

**LIST OF QUESTIONS**

**I. INSTRUCTION FOR ANSWERING THE QUESTIONS:**

1. All of the questions must be answered by the each member of the board of directors and control Persons of the company.
2. Put a ✓ mark in the box in front of the word “yes”, if your answer is “Yes”, or put a ✓ mark in the box in front of the word “no” if the answer to the following question is “no”

For each “yes”, each member of the board of directors or control Person of the company must provide a clear and detailed answer in Schedule C, which shall include among other things:

- a. companies and related Persons;
- b. cases and dates of the action taken;
- c. the court or institution taking the action; and
- d. the action taken and sanction imposed.

**II. INTEGRITY OF EACH MEMBER OF THE BOARD OF DIRECTORS AND ANY PERSONS WHO CONTROL THE COMPANY.**

**Definition:**

Investment is any activity pertaining to Securities, banking, insurance, or real estate, and includes activities directly or indirectly related to Securities Companies, Investment Advisors, banks, or other financial institutions.

**Please answer the following questions:**

1. In the past ten years has the respondent been convicted of or pleaded guilty or nolo contendere (no contest) to:
  - a. a felony or misdemeanor involving investments or an investment related business, fraud, false statements or embezzlements, or bribery, counterfeiting or extortion?
 

yes                       no
  - b. any other felony?
 

yes                       no
2. Has any court:
  - a. ever declared the respondent to be bankrupt?

yes                       no

b. in the past ten years enjoined the respondent in connection with any investment activity?

yes                       no

c. found the respondent to have been a cause of an investment-related business having its license or authorization to do business denied, suspended, revoked, or restricted?

yes                       no

3 Has Bapepam ever:

a. found the respondent to have made a false statement or omission?

yes                       no

b. found the respondent to have been involved in a violation of applicable investment regulations, decrees or statutes?

yes                       no

c. found the respondent to have been the cause of an investment-related business having its license or authorization to do business denied, suspended, revoked, or restricted?

yes                       no

d. denied, suspended, or revoked the respondent's business license, approval or registration, or otherwise sanctioned him or her or by restricting his or her activities?

yes                       no

4. Has any other authorized institution in Indonesia or in other country:

a. ever found the respondent to have made a false or misleading statement or to have been dishonest, unfair, or unethical?

yes                       no

b. ever found the respondent to have been involved in a violation of applicable investment regulations, decrees or statutes?

yes                       no

5. Has any Securities Exchange ever:

a. found that the respondent made a false statement or did not provide required facts?

yes                       no

b. found the respondent to have been Involved in a violation of applicable rules, decrees and statutes?

yes                       no

c. found the respondent, to have been the cause of an investment related business having its license or authorization to do business, suspended, revoked or restricted?



**FORM NUMBER: V.C.1-3**

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Attachment : 3  
Rule Number : V.C.1

Number : Jakarta ..., ..... 19..

Enclosure : ---

Subject : Rejection of an  
application for a  
Business License as a  
.....

To

.....  
in

.....

Referring to your letter Number: ..... dated ....., subject  
....., you are hereby notified that your application is rejected for the reasons stated  
below :

- 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: V.C.1-2**

Attachment : 2  
Rule Number : V.C.1

Number : Jakarta ..., ..... 19..

Enclosure : ---

Subject : Notification of  
Incomplete Data in an  
Application for a  
Business License as a

.....

To

.....

in

.....

In Reference to your letter Number : ..... dated ....., subject ....., You are hereby notified that your application is incomplete for the following reasons:

1 .....

2 .....

3 .....

Because of the matters above, you are hereby informed that your application to obtain a Business License as .....cannot be granted and will be further considered after submission of the missing data.

Please be advised accordingly.

CAPITAL MARKET SUPERVISORY AGENCY

Chairman,

.....

NIP. ....

cc :

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

FORM NUMBER: V.C.1-4

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Attachment : 4  
Rule Number : V.C.1

**DECISION OF CHAIRMAN OF THE CAPITAL MARKET SUPERVISORY AGENCY  
NUMBER : KEP- /PM/19..  
CONCERNING  
THE GRANTING OF A BUSINESS LICENSE AS  
TO .....  
(Tax Registration Number : .....)  
CHAIRMAN OF CAPITAL MARKET SUPERVISORY AGENCY**

Reading : The application letter for a business license as ..... from ..... Number ..... date .....

Considering : that the application has fulfilled the requirements established for the granting of a Business License as.....

In view of : 1. Law Number 8 Year 1995 concerning The Capital Market (Statute Book Number 64 Year 1995, Supplement to Statute Book Number 3608);  
2. Government Regulation Number 45 Year 1995 concerning Capital Market Organization (Statute Book Number 86 Year 1995, Supplement to Statute Book Number 3617);  
3. Chairman of Bapepam Decree No.Kep-... /PM/ 1996 concerning Investment Adviser licenses.

**HAS DECIDED:**

Stipulate : **THE DECISION OF THE CHAIRMAN OF THE CAPITAL MARKET SUPERVISORY AGENCY OF THE REPUBLIC OF INDONESIA GRANTING A BUSINESS LICENSE AS ..... TO .....**

Article 1

To grant a Business License as ..... to ..... with a head office address at .....

Article 2

This decision shall be effective as of the date of issuance.

Article 3

If any mistake is found in this decision it shall be properly corrected.

Issued in : Jakarta  
on :

CAPITAL MARKET SUPERVISORY AGENCY  
Chairman,

.....  
NIP. ....

cc :

1. Secretary of Bapepam
2. Heads of Bapepam Bureaus.

**FORM NUMBER : V.C.1-1**

Attachment : 1  
Rule Number : V.C.1

Number : S- /PM/19... Jakarta, ..... 19..  
Enclosure :

Subject : Application for a  
Business License  
as a ..... \*)  
To  
Chairman of  
Bapepam  
in -  
.....

We hereby submit our application for a business license as a ..... \*). To support this application, we submit the following data:

1. Name : .....
2. Address : .....  
(Street and Number) ..... -□□□□  
(City & ZIP Code)
3. Telephone Number : .....
4. Tax Registration Number: □□□□□□□□ - □□□
5. Name of Company .....  
\*\*):
4. Address of Company ..... (Street and Number) ..... -□□□□  
:  
(City & Zip Code)
7. Telephone & Facsimile : .....
8. Liaison Officer .....  
:

Notes:

- \*) Indicate whether Investment Advisor or Securities Rating Agency  
\*\*) Complete if the applicant is a company

In support of this application, we submit the following documents:

1. the articles of association of the company, authorized by the Minister of Justice;
2. if the application is for an Investment Advisor in corporate form, a clear description of the activities the company intends to engage in as an Investment Advisor;
3. if the application is for a Securities Rating Agency, a statement that the company intends to act as a Securities Rating Agency;
4. the organizational structure, with the names of the board of commissioners, directors, and officials one level below directors (for corporate applicants);
5. a description of the operational activity plan;
6. a copy of Investment Manager Representative license(s) from Bapepam;
7. financial statements, audited by an Accountant registered with Bapepam, no more than 60 (sixty) days after the date of the financial statements;
8. a bank report concerning the current status of the company's funds (for Securities Rating companies)
9. a copy of passport(s) and work permit(s) from the Department of Labor, for non-Indonesian personnel;
10. answers to the questions in attachment 1 (List of Questions) and attachment 2 (Schedule A,B,C and D) of this form;
11. curriculum vitae of the directors; and
12. 4 (four) 4x6 cm photos from members of the board of directors.

This completes our application, and we thank you for your attention.

Notes:

- \*) Indicate whether Investment Advisor or Securities Rating Agency
- \*\*\*) Complete if the applicant is a company

Applicant

Stamp duty

.....  
(full name)



