



FINANCIAL SERVICES AUTHORITY  
THE REPUBLIC OF INDONESIA

COPY OF  
REGULATION OF FINANCIAL SERVICES AUTHORITY  
NUMBER 24/POJK.04/2014

CONCERNING  
GUIDELINES ON THE IMPLEMENTATION OF INVESTMENT MANAGER  
FUNCTIONS

BY THE GRACE OF GOD ALMIGHTY  
THE BOARD OF COMMISSIONERS OF FINANCIAL SERVICES AUTHORITY,

Considering : a. that in the context of professionalism and customer protection, Investment Managers need to improve the quality of Investment Manager functions;

b. that based on the consideration as referred to in point a, it is deemed necessary to establish a Regulation of Financial Services Authority concerning Guidelines on the Implementation of Investment Manager Functions;

In pursuant to: 1. Law Number 8 of 1995 on Capital Market (the State Gazette of the Republic of Indonesia of 1995 Number 64, Supplement to the State Gazette of the Republic of Indonesia number 3608);

2. Law Number 21 of 2011 on Financial Services Authority (the State Gazette of the Republic of Indonesia of 2011 Number 111, Supplement to the State Gazette of the Republic of Indonesia Number 5253);

HAS DECIDED:

To Stipulate: REGULATION OF FINANCIAL SERVICES AUTHORITY CONCERNING GUIDELINES ON THE IMPLEMENTATION OF INVESTMENT MANAGER FUNCTIONS.

## CHAPTER I GENERAL PROVISIONS

### Article 1

In this Regulation of Financial Services Authority, it is defined that:

1. Investment Manager is a party whose business is managing Securities Portfolio for customers or managing collective investment portfolio for a group of customers, excluding insurance companies, pension funds, and banks, which carry out their own business activities based on prevailing rules and regulations.
2. Investment Manager Representative is an individual who represents the interest of a Securities Company that conducts its business as an Investment Manager.
3. Investment Committee is a committee, which directs and supervises an Investment Management Team in implementing investment policies and strategies.
4. Investment Management Team is a team that manages Securities Portfolio for customers or collective investment portfolio for a group of customers.
5. Risk management is a series of procedures and methodology to identify, measure, monitor, and control risks resulting from an Investment Manager's businesses.

CHAPTER II  
FUNCTIONS OF INVESTMENT MANAGER

Article 2

In carrying out their activities, an Investment Manager shall have and perform the following functions:

- a. Investment and research function;
- b. Trading function;
- c. Securities transaction settlement function;
- d. Risk management, compliance and internal audit function;
- e. Marketing and handling of customer complaints function;
- f. Information technology function;
- g. Accounting and finance functions; and
- h. Human resources development function.

Article 3

- 1) An Investment Manager shall separate the implementation of investment and research function as referred to in Article 2 point a from trading function as referred to in Article 2 point b, securities transaction settlement function as referred to in Article 2 point c; and from risk management, compliance and internal audit function as referred to in Article 2 point d.
- 2) A Coordinator and staff who carries out one of the four functions as mentioned in clause 1) is prohibited from concurrently serving as the coordinator and staff of the other three functions.
- 3) Members of Board of Directors are not allowed to serve as the coordinators of investment and research function as mentioned in Article 2 point a, trading function as mentioned in Article 2 point b, and/or securities transaction settlement function as mentioned in Article 2 point c.
- 4) A Member of Board of Directors who serves as the coordinator of risk management, compliance and internal audit function as referred to in Article 2 point d is prohibited from concurrently serving as the coordinator of other functions.

#### Article 4

An Investment Manager shall have standard operating procedures on the implementation of functions as referred to in Article 2 and ensure that those standard operating procedures are followed and carried out by coordinators and all staff who carry out those functions.

#### Article 5

In the case that an Investment Manager's business is performed in one Securities Company that carries out Securities Underwriter and/or Brokerage businesses, therefore:

- a. the standard operating procedures on the implementation of Investment Manager functions must be separated from the standard operating procedures on Underwriting and/or Brokerage businesses; and
- b. the implementation of research, risk management, compliance, internal audit, accounting and finance, information technology and/or human resources development functions on Investment Manager business, and Underwriting and/or Brokerage businesses can be done by one working unit that performs those functions.

### CHAPTER III

#### IMPLEMENTATION OF INVESTMENT MANAGER FUNCTIONS

##### Part One

##### Investment and Research Functions

#### Article 6

The implementation of investment and research functions must be coordinated by a staff who has Investment Manager Representative license and working experiences in investment management area for at least 3 (three) years.

#### Article 7

In performing the investment function, the coordinator of investment and research function as referred to in Article 6 is responsible for conducting the following activities:

- a. Making the best investment decision for the customer's interest;
- b. Developing and maintaining records and/or paperwork in in in order to make an investment decision for the customer's interest;
- c. Analyzing the performance of investment products periodically;
- d. Ensuring the alignment between investment decision taken with:
  - 1) investment policies and strategies that have been defined in the agreement to manage Securities Portfolio for customers or collective investment portfolio for a group of customers; and
  - 2) investment policies and strategies that have been defined by an Investment Committee;
- e. Ensuring that every investment decision taken is based on rational considerations and sufficiently supported by research findings; and
- f. Applying the principles of prudence and Risk Management, among others, by:
  - 1) Considering investment risks that might occur as well as actions that will be done should the risk take place.
  - 2) having a clear sharing of authorities in determining transactions' amount.

#### Article 8

- 1) The Investment function is performed by an Investment Management Team that at least consists of 2 (two) persons consisting of the leader and a team member.
- 2) The leader and member of Investment Management Team shall have an Investment Manager Representative license from the Financial Services Authority.
- 3) The Investment Management Team is not allowed to concurrently serving as the coordinators or staff of trading function as mentioned in Article 2 point b, securities transaction settlement function as mentioned in Article 2 point

c, and/or risk management, compliance, and internal audit function as mentioned in Article 2 point d.

#### Article 9

- 1) The Implementation of investment function is based on direction from an Investment Committee.
- 2) The Investment Committee as mentioned in clause 1) consists of at least 2 (two) persons who have experiences in capital market and/ or finance sectors for at least 2 (two) years.
- 3) The Investment Committee as mentioned in clause 1) shall:
  - a. establish investment policies and strategies; and
  - b. supervise the implementation of investment management activities by the Investment Management Team.
- 4) Members of Investment Committee are prohibited from:
  - a. concurrently serving as the coordinators and staff of trading function as mentioned in Article 2 point b, securities transaction settlement function as mentioned in Article 2 point c, as well as risk management, compliance and internal audit functions as mentioned in Article 2 point d; and/ or
  - b. concurrently serving as members of Investment Management Team for 1 (one) similar investment product.

#### Article 10

In performing research function, the coordinator of investment and research functions as mentioned in Article 6 is responsible for:

- a. Conducting research and analysis on the condition of macro-economic and industrial sector;
- b. Conducting research and analysis on Securities in an investment portfolio that has become and/or will become an investment portfolio; and
- c. Creating and documenting research notes and reports.

#### Part Two

## Trading Function

### Article 11

The implementation of trading function as mentioned in Article 2 point b shall adhere to the following provisions:

- a. the implementation of trading function must be coordinated by a coordinator who is a staff that has a Securities Company Representative license from the Financial Services Authority and has working experiences in Capital Market sector and/or Finance sector for at least 2 (two) years;
- b. The Coordinator of trading function is responsible for:
  - 1) Performing securities transaction that has been defined by the investment function at the best price and time for the customer's interest; and
  - 2) Coordinating with the coordinator of investment and research function in selecting a Securities Broker by considering, among others, the fees charged and services provided by the Broker.

## Part Three

### Securities Transaction Settlement Function

### Article 12

The implementation of Securities transaction settlement function as mentioned in Article 2 point c shall adhere to the following provisions:

- a. the implementation of securities transaction settlement function must be coordinated by a coordinator who is a staff that has a Securities Company Representative license from the Financial Services Authority and has working experiences in Capital Market sector and/or finance sector for at least 2 (two) years;
- b. The coordinator of securities transaction settlement function is responsible for:
  - 1) Reconciling transaction data to relevant parties such as the Securities Broker, Custodian Bank; and

- 2) Cross-checking data in the Securities administration of the Mutual Funds portfolio or the product managed by the Investment Manager.

#### Part Four

#### Risk Management, Compliance and Internal Audit Function

#### Article 13

1. The implementation of risk management, compliance and internal functions must be coordinated by a coordinator who is the head of a working unit, member of board of directors or an official one level below the board of directors.
2. The Coordinator of risk management, compliance and internal audit functions as referred to in paragraph 1) shall:
  - a. own an Investment Manager Representative license from the Financial Services Authority and have experiences in at managerial level in an institution conducting business in Capital Market sector and/or financial sector for at least 3 (three) years;
  - b. be established as part of the organizational structure of the Investment Management and directly responsible to the board of commissioners; and
  - c. independently act and have unlimited access towards other functions of Investment Manager in relations to their duties to ensure compliance in implementing Investment Manager functions.

#### Article 14

In performing risk management, the coordinator of risk management, compliance and internal audit function is responsible for:

- a. Formulating a Risk Management strategy;
- b. Renewing the Risk Management strategy, if:
  - 1) there is any change and/or addition to the Investment Management activities; and/or

- 2) there is a new regulation of and/or change in the regulation of Financial Services Authority or other corresponding regulations;
- c. Regularly monitoring and reviewing the implementation of the Risk Management strategy;
- d. Monitoring the position of the aggregate and each type of risk; and
- e. Applying an effective Risk Management in accordance with the size and complexity of the business and capability of the Investment Manager.

#### Article 15

The implementation of risk management function as mentioned in Article 14 point c shall be performed based on a Risk Management strategy that at least contains:

- a. the identification of all risks that might occur in Investment Manager activities;
- b. explanations on the causes of risks;
- c. the identification of the likelihood of those risks to occur;
- d. explanations on the implication of the occurrence of those risks;
- e. steps that must be taken if those risks occur.

#### Article 16

In performing the compliance function, the coordinator of risk management, compliance, and internal audit function is responsible for:

- a. ensuring the compliance of Investment Management on rules and regulations;
- b. acting as a liaison officer with the Financial Services Authority;
- c. formulating a compliance strategy;
- d. Renewing the compliance strategy, if:
  - 1) there is any change and/or addition to the Investment Management activities; and/or
  - 2) there is a new regulation and/or change in the regulation of Financial Services Authority or other corresponding regulations;

- e. Disseminating and socializing compliance manuals, policies, procedures and other information related to compliance to all relevant units within the Investment Manager;
- f. Performing surveillance and ensuring the implementation of business continuity plan in accordance with policies that have been defined by the company;
- g. Ensuring that staff obtain relevant compliance trainings and educations;
- h. Formulating and submitting an annual work plan of compliance function to the Board of Commissioners containing activities and schedule of compliance function's activity implementation;
- i. Formulating and submitting mid-year and annual reports on the implementation of compliance function to the Board of Commissioners; and
- j. Submitting an incidental report to the Board of Commissioners if there is any alleged violation against Capital Market rules and regulations committed by the Investment Manager and/or their customers within at least 2 (two) days since the day the alleged violation is found.

#### Article 17

The duties and responsibilities of compliance function must be defined in a written charter, which binds the functions of the Investment Manager.

#### Article 18

In performing internal audit function, the coordinator of risk management, compliance and internal audit functions is responsible for ensuring that the implementation of the Investment Manager functions is in accordance with procedures and written policies/ standard operating procedures.

#### Article 19

In performing internal audit function, the coordinator of risk management, compliance and internal audit function is responsible for:

- a. Making plan, controlling and recording the implementation of all internal audit activities;

- b. Making records of all findings, conclusions, and recommendations on the implementation of all internal audit activities; and
- c. Formulating an internal audit report after performing every internal audit for submission to the Board of Commissioners.

## Part Five

### Marketing and Customer Complaint Handling

#### Article 20

The implementation of marketing and customer complaint handling function shall adhere to the following provisions:

- a. the implementation of marketing and customer complaint handling function must be coordinated by a coordinator who is a staff that has a a Securities Company Representative license from the Financial Services Authority and has experiences in Capital Market sector and/or Finance sector for at least 2 (two) years.
- b. the staff who markets Mutual Funds Securities is required to have a Securities Company Representative license or a Mutual Funds Securities Broker Representative license;
- c. The staff who markets collective investment portfolio management services other than Mutual Funds and investment management services is required to have a a Securities Company Representative license;
- d. In the case that marketing and customer complaint handling function is not performed by one functional unit, therefore:
  - 1) the marketing function is coordinated by a coordinator who is a staff that has a Securities Company Representative license from the Financial Services Authority and has experiences in Capital Market sector and/or finance sector for at least 2 (two) years; and
  - 2) the customer complaint handling function is coordinated by a coordinator who is a staff that has a Securities Company Representative license or a Mutual Funds Securities Broker representative license from the Financial Services Authority and

has experiences in the areas of Capital Market and/or finance for at least 2 (two) years.

- 3) The coordinator of marketing function is responsible for coordinating:
  - a. the process of opening a Mutual Funds account, a collective investment portfolio other than Mutual Funds, and customer investment management services by considering policies and procedures that have been established in order to implement Know-Your-Customers Principles;
  - b. the correct and professional marketing activities of investment products by applying provisions on customer risk profiles and other relevant provisions.
- 4) The coordinator of customer complaint handling function is responsible for coordinating:
  - a) the acceptance and administration of customer complaints;
  - b) the handling and following up of customer complaints; and
  - c) the administration of the results of customers' complaint handling and follow up.

## Part Six

### Information Technology Function

#### Article 21

The implementation of information technology function shall adhere to the following provisions:

- a. The implementation of information technology function is coordinated by a coordinator who is a member of board of directors or a staff who has experiences in information technology field for at least 1 (one) year;
- b. The coordinator of information technology function is responsible for:
  1. Regularly reviewing and maintaining information technology system to ensure that:
    - a) the information technology system can support the smooth implementation of Investment Manager's business activities.;
    - and

- b) the Information technology system used suits the needs for electronic reporting to the Financial Services Authority, so the reporting can be done in accordance to the prevailing requirements;
2. Performing data back-up periodically.

Part Seven  
Human Resources Development Function

Article 22

The implementation of human resources development function shall adhere to the following provisions:

- a. The implementation of human resources development function must be coordinated by a coordinator who is a member of board of directors or staff who has work experiences in the human resource field for at least 1 (one) year;
- b. The coordinator of human resources development function is responsible for:
  - 1) Formulating and performing training program to improve technical competence and compliance of staff on code of ethics and employee attitude standards;
  - 2) Conducting screening for new employee recruitment in accordance with prevailing standard operating procedures and requirements;
  - 3) Maintaining records and documents related to human resources development function, including, but not limited to, documents related to staff training and administration.

Part Eight  
Accounting and Finance Function

Article 23

The implementation of accounting and finance function shall adhere to the following provisions:

- a. The implementation of accounting and finance function must be coordinated by a coordinator who is a member of board of directors or staff who has work experiences in the accounting and finance fields for at least 1 (one) year;
- b. The coordinator of accounting and finance function is responsible for:
  - 1) Planning and managing accounting and finance activities; and
  - 2) Ensuring that the annual, mid-year, monthly activities reports of Investment Manager, Adjusted Net Working Capital report and other reports submitted to the Financial Services Authority have been formulated based on accurate data and in accordance with the rules and regulations of the Financial Services Authority and Financial Accounting Standards.

## CHAPTER IV OUTSOURCING OF FUNCTIONS

### Article 24

An Investment Manager can outsource the implementation of information technology function, human resources development function, as well as accounting and finance function to a service provider, which is a legal entity in consideration of relevant provisions on the implementation of those functions stipulated in this Regulation of Financial Services Authority; and prevailing rules and regulations.

### Article 25

In the case that an Investment Manager outsources the functions as mentioned in Article 24, the Investment Manager is responsible for the attitudes and activities of the service provider that accepts the outsourcing of Investment Manager functions.

### Article 26

The Investment Manager who outsources the functions as referred to in Article 24 shall ensure that the service provider who accepts the outsourcing of those functions is a professional who has standard capacity and capability to perform those functions and is able to fulfill the obligations in accordance with the functions outsourcing agreement.

#### Article 27

An Investment Manager shall have and perform standard operating procedures to oversee the attitude and activities of a service provider who accepts the outsourcing of Investment Manager functions.

#### Article 28

The outsourcing of information technology function, human resources development function, as well as accounting and finance function can only be done to a service provider by the following provisions:

- a. The Investment Manager shall report information about the plan to outsource the information technology function, human resources development function and finance and accounting function to the Financial Services Authority in accordance with the format of report on outsourcing of functions as stated in the Appendices, which are integral parts of this Regulation of Financial Services Authority.
- b. Before appointing a service provider to perform information technology function, human resources development function and finance and accounting function, the Investment Manager shall perform a due diligence on the service provider which includes, among others:
  1. the capability of the service provider in performing Investment Manager functions;
  2. the capability of the service provider to fulfill their obligations in accordance with the agreement;
  3. operational factors, and qualitative and quantitative financial capability;
  4. reputational factor;
  5. insurance coverage by service provider (if any);

6. existence of potential conflict of interest, particularly if the service provider works in the same field of business; and
  7. resource capability and adequacy of the service provider, if they have several outsourcing agreements with several parties; and
- c. The Investment Manager shall periodically review the functions performed by the service provider to ensure that those functions are performed well and correctly in accordance with the standard operating procedures of the corresponding functions.
- d. The Investment Manager shall have a written agreement with the service provider, which at least contains:
1. name of party;
  2. coverage, requirements and conditions of Investment Manager functions outsourced to the service provider;
  3. responsibilities of the Investment Manager and the service provider as well as oversight towards the implementation of those responsibilities;
  4. service provision standard and mechanism to ensure that the standard can be adhered to at any given time;
  5. the confidentiality and security of information;
  6. responsibilities related to information technology system security;
  7. service provider's report to the Investment Manager;
  8. accountability of the service provider towards the Investment Manager on un-satisfactory services or other breaches of the agreement;
  9. guarantee over service provision quality and compensation;
  10. the obligation of the service provider, to provide, whenever required, every note, information and/or support related to Investment Manager functions performed to the Investment Manager who appointed the service provider, the auditor of the Investment Manager, and/or the Financial Services Authority;
  11. prohibition against appointing a third party (subcontracting) to perform the service provider's obligation;
  12. Provisions on the continuity of Investment Manager functions in the event that service provider is undergoing emergency situation, therefore is unable to perform their functions;

13. the termination of agreement that includes, among others, transfer of information and agreement termination steps, as well as transition procedures; and
  14. Mechanism to settle disputes arising between the Investment Manager and the service provider.
- e. The Investment Manager shall ensure that the service provider maintains the confidentiality of information received from the Investment Manager.
  - f. The Investment Manager shall report to the Financial Service Authority on the following day if the service provider cannot perform their obligations.
  - g. The Investment Manager shall ensure that at any time the Financial Services Authority can access the service provider's book keeping, records and documents related to the outsourcing of Investment Manager functions to the service provider.
  - h. The Investment Manager can only appoint a service provider whose operational activities are located in Indonesia.

## CHAPTER V REPORTING OBLIGATION

### Article 29

- 1) An Investment Manager shall submit the following reports to the Financial Services Authority:
  - a. An annual work plan report of compliance function, as mentioned in Article 16 point h in accordance with the format of annual work plan report on compliance function as stated in the Appendices that are integral parts of this Regulation of Financial Services Authority, on the 12<sup>th</sup> (twelfth) day after the month of December at the latest;
  - b. A mid-year report on the implementation of compliance function, as referred to in Article 16 point i in accordance with the format of mid-year report on the implementation of compliance function as stated in the Appendices that are integral part of this Regulation of Financial Services Authority, on the 12<sup>th</sup> (twelfth) day after the month of June at the latest;

- c. An annual report on the implementation of compliance function, as referred to in Article 16 point i in accordance with the format of annual report on the implementation of compliance function as stated in the Appendices that are integral parts of this Regulation of Financial Services Authority, on the 12<sup>th</sup> (twelfth) day after the month of December at the latest; and
  - d. An incidental report, as referred to in Article 16 point j in accordance with the format of incidental report as stated in the Appendices that are integral parts of this Regulation of Financial Services Authority within 7 (seven) days at the latest after the incident.
- 2) In the case that the deadline of submitting the reports as referred to in clause 1) point a, point b, and point c fall on holiday, the report must be submitted on the following day at the latest.

## CHAPTER VI SANCTION

### Article 30

- 1) By no means undermining criminal stipulations in the Capital Market Sector, the Financial Services Authority has the authority to impose the following administrative sanctions against any party that violates these provisions of the Financial Services Authority, including parties that cause those violations :
- a. Written warning;
  - b. Penalty, namely obligation to pay a certain amount of money;
  - c. Limitation on business activities;
  - d. Suspension of business activities;
  - e. Revocation of business license;
  - f. Cancellation of approval; and
  - g. Cancellation of registration.
- 2) Administrative sanctions as referred to in the clause 1) point b, point c, point d, or point e, can be imposed with or without being preceded by an

administrative sanction in the form of a written warning as referred to in clause 1) point a.

- 3) Administrative sanction in the form of penalty as mentioned in paragraph (1) point b can be imposed individually or together with administrative sanctions as referred to in paragraph (1) point c, point d, or point e.

#### Article 31

In addition to administrative sanctions as referred to in Article 30 clause 1), the Financial Services Authority can exercise particular actions against any party that violates provisions in this Regulation of Financial Services Authority.

#### Article 32

Financial Services Authority can publicize the imposition of administrative sanctions as referred to in Article 30 clause 11) and other particular actions as referred to in Article 31.

### CHAPTER VII TRANSITIONAL PROVISIONS

#### Article 33

An Investment Manager shall adjust to and fulfill the provisions stipulated in this Regulation of the Financial Services Authority within 6 (six) months at the latest since the promulgation of this Regulation of Financial Services Authority.

### CHAPTER VIII CLOSING PROVISIONS

#### Article 34

Further provisions concerning the technical implementation of Investment Manager functions that are not yet stipulated in this Regulation of Financial Services Authority shall be regulated in a Circular Letter of Financial Services Authority.

Article 35

Upon the enactment of this Regulation of Financial Services Authority, the Regulation of the Chairman of Capital Market and Financial Institutions Supervisory Agency Number KEP-480/BL/2009 dated 31<sup>th</sup> December 2009 concerning Guidelines on the Implementation of Investment Manager Functions and Regulation Number V.D.11 as its appendices are therefore revoked and deemed no longer applicable.

Article 36

This Regulation of Financial Services Authority shall be effective upon the date of its promulgation. For public cognizant, it is hereby ordered that this Regulation of Financial Services Authority be promulgated in the State Gazette of the Republic of Indonesia.

Enacted in Jakarta

On 19 November 2014

CHAIRMAN OF BOARD OF COMMISSIONERS  
FINANCIAL SERVICES AUTHORITY,

[signage]

MULIAMAN D. HADAD

Promulgated in Jakarta:

On 19 November 2014

MINISTER OF LAW AND HUMAN RIGHTS

THE REPUBLIC OF INDONESIA

YASONNA H. LAOLY

THE STATE GAZETTE OF THE REPUBLIC OF INDONESIA NUMBER 359 OF  
2014

Copy of the original document

Director of Law I

Legal Department,

[signage]

Tini Kustini

**ELUCIDATION OF**  
**REGULATION OF FINANCIAL SERVICES AUTHORITY**  
**NUMBER 24/POJK.04/2014**  
**CONCERNING**  
**GUIDELINES FOR THE IMPLEMENTATION OF INVESTMENT MANAGER**  
**FUNCTIONS**

**I. GENERAL**

In performing their businesses, a Securities Company that has owned a business license as an Investment Manager needs to have and apply functions that will improve their quality and professionalism as Investment Manager and protection towards customers. Provisions on this aspect have been issued by the Financial Services Authority as the Capital Market regulator through Regulation Number V.D.11, an Annex to the Regulation of Chairman of Capital Market and Financial Institutions Supervisory Agency Number KEP-480/BL/2009 concerning Guidelines on the Implementation of Investment Manager Functions.

This regulation stipulates that an Investment Manager shall at least have and perform the following functions, among others: (1) Investment function; (2) Risk Management function; (3) Compliance function; (4) Marketing function; (5) Trading function; (6) Securities Transaction Settlement function; (7) Investor complaint handling function; (8) Research and Information Technology function; (9) Human Resources Development function; and (10) Accounting and Financial Function. Each function is run by a coordinator and staff in accordance with required criteria.

Considering capital market industry development, there is a need for efforts to improve Investment Managers' internal audit, through the improvement of regulations that further regulate duties and responsibilities of each function of Investment Manager in order to improve the Investment Managers' performance and efficiency as well as customer protection.

## **II. ARTICLE BY ARTICLE**

### Article 1

Self-explanatory.

### Article 2

The Investment and research function as mentioned in Article 2 point a can be done separately, not in one function.

The Risk management, compliance, and internal audit function as mentioned in Article 2 point d can be done separately, not in one function.

The Marketing and customer complaint handling function as mentioned in Article 2 point e can be done separately, not in one function.

The Accounting and finance function as mentioned in Article 2 point g can be done separately, not in one function.

### Article 3

Self-explanatory.

### Article 4

Self-explanatory.

### Article 5

Self-explanatory.

### Article 6

Self-explanatory.

### Article 7

Self-explanatory.

### Article 8

Self-explanatory.

Article 9

Self-explanatory.

Article 10

Self-explanatory.

Article 11

Paragraph a

“Securities Company Representative license” is referred to an individual license as a Representative of Securities Underwriter, a representative of Securities Broker, and a representative of Investment Manager.

Paragraph b

Self-explanatory.

Article 12

Self-explanatory.

Article 13

Clause 1)

Self-explanatory.

Clause 2)

Point a

Managerial position is referred to:

1. a position below board of directors;
2. a position that supervises 1 (one) working unit in the capital market sector and/or financial sector; or
3. a position that supervises at least 10 (ten) staff.

Point b

Self-explanatory.

Point c

Self-explanatory.

Article 14

Self-explanatory.

Article 15

Self-explanatory.

Article 16

Self-explanatory.

Article 17

Self-explanatory.

Article 18

Self-explanatory.

Article 19

Self-explanatory.

Article 20

Self-explanatory.

Article 21

Self-explanatory.

Article 22

Self-explanatory.

Article 23

Clause a

Self-explanatory.

Clause b

Point 1

Self-explanatory.

Point 2

“Financial Accounting Standards” in this article is referred to the generally applied financial accounting standards.

Article 24

Self-explanatory.

Article 25

Self-explanatory.

Article 26

Self-explanatory.

Article 27

Self-explanatory.

Article 28

Self-explanatory.

Article 29

Self-explanatory.

Article 30

Self-explanatory.

Article 31

“Particular action” refers to among others ordering an Investment Manager to discontinue the outsourcing of Investment Manager functions to a service provider.

Article 32

Self-explanatory.

Article 33

Self-explanatory.

Article 34

Self-explanatory.

Article 35

Self-explanatory.

Article 36

Self-explanatory.

SUPPLEMENT TO THE STATE GAZETTE OF THE REPUBLIC OF INDONESIA  
NUMBER 5633

APPENDICES OF  
REGULATION OF FINANCIAL SERVICES AUTHORITY  
NUMBER 24/POJK.04/2014  
CONCERNING  
GUIDELINES ON THE IMPLEMENTATION OF INVESTMENT MANAGER  
FUNCTIONS

## **REPORT ON THE PLAN FOR OUTSOURCING OF FUNCTIONS**

Number: ..... ,  
.....20.....

Appendices: .....

Subject: Report on the Plan for Outsourcing of Functions .....\*)

TO:  
Chief Executive of Capital Market  
Supervision  
in  
Jakarta

Hereby, we would like to submit our company's plan to outsource the functions of .....\*).

As information, we attach the following documents:

1. Description of the service provider who accepts outsourcing of the functions, includes, among others:
  - a. Name of service provider.
  - b. Service provider's Business field.
  - c. Capability of service provider in high standard to implement the functions.
  - d. Capability of service provider to fulfill their obligations in accordance with the service agreement.
  - e. Service provider's qualitative and quantitative operational factors and financial capability.
  - f. Reputation of the service provider.
  - g. Insurance coverage by the service provider (if any).
  - h. Any potential conflict of interest particularly if the service provider works in the same field of business.
  - i. Resources capability and adequacy owned by the service provider if it has several agreements on Investment Management Functions outsourcing with several parties.
2. Description of activities to be outsourced to the service provider.

Thank you for your kind attention.

Board of Directors  
PT.....(name of Investment  
Manager)

.....  
(name and signature)

\*) List the functions outsourced (*Information Technology, HR Development, Accounting and Financial Function*)

**REPORT ON ANNUAL WORK PLAN**

**COMPLIANCE FUNCTION**

(Period of 1 January to 31 December 20.....)

PT.....(INVESTMENT MANAGER)

No	Work Plan or Program Plan	Details of Implementation	Target Date of Completion

....., .....20.....

....., .....20.....

(place and date)  
date)

(place and

President Director  
Compliance Function

Coordinator of

.....

.....

(name and signature)

(name and signature)

**MID-YEAR REPORT**  
**IMPLEMENTATION OF COMPLIANCE FUNCTION**

(Period of Semester.....of 20.....)

PT.....(INVESTMENT MANAGER)

No	Activity of Compliance Function Planned	Remarks and date of activity	Activity Results	Recommended follow-up Actions	Target Date to Implement the follow-up Actions	Follow-up Actions that have been done

....., .....20.....

.....,

.....20.....

(place and date)

(place and date)

Executive Director  
 Compliance Function

Coordinator of

.....

.....

(name and signature)

(name and signature)



**ANNUAL REPORT**

**IMPLEMENTATION OF COMPLIANCE FUNCTION**

(Period of 1 January to 31 December 2.....)

PT.....(INVESTMENT MANAGER)

No	Planned Activities of Compliance Function	Remarks and Activity Date	Activity Results	Recommended follow-up Actions	Target Date for Follow-up Actions	Follow-up Actions that have been done

....., .....20.....

.....20.....

(place and date)

(place and date)

Executive Director  
Function

Coordinator of Compliance

.....

.....

(name and signature)

(name and signature)

**INCIDENTAL REPORT ON COMPLIANCE FUNCTION**

Investment Manager: .....

Reporting Date: .....

No	Condition/ Findings that Does not Comply with the Regulation	Correspon ding Regulation s	Inciden t Period	Related Parties/ Units/ Function s	Impact	Require d follow- up Actions	Target Date for Follow-up Actions

.....2

0.....

(place and date)

Coordinator of Compliance Function

.....

.....

[name and signature]

Enacted in Jakarta

On 19 November 2014

Chairman of Board of

Commissioners

The Financial Services Authority

[Signage]

MULIAMAN D. HADAD

A copy of original document

Director of Law 1

Legal Directorate I

[Signage]

Tini Kustini