



FINANCIAL SERVICES AUTHORITY  
THE REPUBLIC OF INDONESIA

**COPY OF  
REGULATION OF FINANCIAL SERVICES AUTHORITY  
NUMBER 37/POJK.04/2014**

**CONCERNING  
LIMITED PARTICIPATION MUTUAL FUNDS IN THE FORM OF COLLECTIVE  
INVESTMENT CONTRACT**

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

- Considering:
- a. that in order to support the growth of business activity in the real sectors it requires a platform to finance those business activity in the real sector;
  - b. that the regulation concerning Limited Participation Mutual Funds In the Form of Collective Investment Contract must be improved to comply with the objective of the Limited Participation Mutual Funds In the Form of Collective Investment Contract to support real sectors development;
  - c. that according to the consideration as referred to in point a and point b, there is a need to stipulate a Financial Services

Authority Regulation concerning Limited Participation Mutual Funds In the Form of Collective Investment Contract.

- Pursuant to:
1. Law Number 8 of 1995 concerning Capital Markets (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 concerning the Financial Services Authority (State Gazette of the Republic of Indonesia of 2011 Number 111, Supplement to the State Gazette of the Republic of Indonesia 5253);

HAS DECIDED:

To stipulate: REGULATION OF FINANCIAL SERVICES AUTHORITY CONCERNING LIMITED PARTICIPATION MUTUAL FUNDS IN THE FORM OF COLLECTIVE INVESTMENT CONTRACT

## CHAPTER I GENERAL PROVISIONS

### Article 1

Terminologies used in this Financial Services Authority Regulation shall be defined as follows:

1. Limited Participation Mutual Funds In the Form of Collective Investment Contract hereinafter referred as Limited Participation Mutual Funds is the vehicle used to gather funds from professionals which then invested by Investment Manager in Securities Portfolio focusing in Real Sector Activities;

2. Real Sector Activities are activities either directly or indirectly, related to the production of goods, provision of services in the real sectors including but not limited to goods production, and/or work capital of that activities;
3. Target Company is the company that issues securities offered not through Public Offerings that will be included in the Securities Portfolio of the Limited Participation Mutual Funds;
4. Participating Unit is the measurement unit to indicate each Stakeholders' stakes in the collective investment portfolio;
5. Collective Investment Contract is the contract between Investment Manager and Custodian Bank that binds the owner of Participating unit holder, in which the Investment Manager are given the authority to manage collective investment portfolio and Custodian Bank is given the authority to conduct Collective Custody.
6. Collective Custody is the investment service upon Securities shared by one or more Parties in which their interests are represented by the Custodian.
7. Custodian Bank is Commercial Bank already granted by Financial Services Authority as Custodian Bank
8. Net Asset Value is the reasonable market value of Securities and other assets of the Mutual Funds minus its liabilities.
9. Information Memorandum is a written information stating Information or Material Fact related to Target Company Securities developed by Target Company in order to offer Target Company Securities that do not go through Public Offering, with the aim for other Party to buy the relevant Securities.
10. Investment Committee is a committee that directs and supervises the Investment Management Team in implementing investment policy and strategy.
11. Investment Management Team is the team who manages the Portfolio of Limited Participation Mutual Funds for the interest of the Participating Unit holders of the Limited Participation Mutual Funds.
12. Securities Portfolio is a pool of Securities owned by a Party.

## CHAPTER II

### THE MANAGEMENT OF THE LIMITED PARTICIPATION MUTUAL FUNDS

#### Article 2

The Guideline in managing Limited Participation Mutual Funds must follow the regulation on management guideline for Mutual Funds In the Form of Collective Investment Contract, otherwise stipulated differently in this Financial Services Authority Regulation.

#### Article 3

- (1) Participating Unit of the Limited Participation Mutual Funds may only be offered and bought by professional investors and also prohibited from being offered through Public Offering.
- (2) Transfer Unit of the Limited Participation Mutual Funds can only be done as far as the requirement criteria for Public Offering is not fulfilled.

#### Article 4

- (1) Securities Portfolio of the Limited Participation Mutual Funds is consisted of one or more Securities that are part of Limited Participation Mutual Funds basic assets to fund one or more Real Sector Activities.
- (2) In the case that the Securities Portfolio of the Limited Participation Mutual Funds is consisted of more than one Securities, then it must comply with the following provisions:
  - a. Securities shaping the Securities Portfolio of the Limited Participation Mutual Funds must be the same type of Securities; and
  - b. All additional Securities included in the Securities Portfolio of the Limited Participation Mutual Funds must obtain agreement from all Participating unit holders through Participating unit General Meeting mechanism.

#### Article 5

- (1) Initial Net Asset Value for the Participating unit of the Limited Participation Mutual Funds is set to be IDR 1,000.00 (one thousand rupiahs).
- (2) In the case that initial Net Asset Value for the Participating unit of the Limited Participation Mutual Funds is set in foreign currency denomination thus the initial Net Asset Value for the Participating unit of the Limited Participation Mutual Funds must be set to US\$ 1 (one American Dollar) or EUR 1 (one Euro).

#### Article 6

- (1) Minimum Investment for each of the Participating unit holder of the Limited Participation Mutual Funds is IDR 5,000,000,000 (five billion rupiah).
- (2) In the case that the Participating unit of the Limited Participation Mutual Funds is issued in foreign currency denomination, the minimum investment as referred to in clause (1) is equivalent to IDR 5,000,000,000 (five billion rupiah) using Bank of Indonesia prevailing middle exchange rate.
- (3) The Minimum Investment amount of the Limited Participation Mutual Funds as referred to in clause (1) is prohibited from being owned and/or promised to be owned by more than 1 (one) Party.

#### Article 7

The Investment Manager who manages the Limited Participation Mutual Funds must comply with the following provisions:

- a. retain Participating Unit from each of the Limited Participation they manage with the following regulation:
  1. Any Investment Manager managing Limited Participation Mutual Funds up to IDR 500,000,000,000 (five hundred billion rupiah) must retain the Participating Unit of the Limited Participation Mutual Funds that they manage for at least 5,000,000 (five million) Participating Unit;

2. Any Investment Manager managing Limited Participation Mutual Funds of more than IDR 500,000,000,000 (five hundred billion rupiah) up to IDR 1,000,000,000,000 (one trillion rupiah) must retain the Participating Unit of the Limited Participation Mutual Funds that they manage for at least 10,000,000 (ten million) Participating Unit; and
3. Any Investment Manager managing Limited Participation Mutual Funds of more than IDR 1,000,000,000,000 (one trillion rupiah) must own Participating Unit from the Mutual Funds for Limited Participation that they manage for at least 15,000,000 (fifteen million) Participating Unit,

Until the Limited Participation Mutual Funds is dissolved.

- b. Must at least have 1 (one) staff who has expertise in investment area that is supported with:
  1. Chartered Financial Analyst (CFA) Certificate; or
  2. Individual license as Investment Manager Deputy and proven experience in managing Securities Portfolio of Mutual Funds for at least 5 (five) years,  
Who involved directly in the management of those Limited Participation Mutual Funds.
- c. Has Investment Committee with duties to:
  1. Stipulate investment policy and strategy in Real Sector Activities; and
  2. Supervise all Limited Participation Mutual Funds investment activities since the start of the investment until divestment or during the period of Collective Investment Contract;
- d. Conduct due diligence upon the Target Company and Real Sector Activities that will be funded;
- e. Conduct regular monitoring on the development of the Limited Participation Mutual Funds investment for Real Sector Activities;
- f. Share information with future Participating Unit of Limited Participation Mutual Funds on the description of product structure and investment risk in the disclosure statement;

- g. Ensure the holder of Participating Unit of Limited Participation Mutual Funds already comprehend and understand product structure and investment risk concerning the Limited Participation Mutual Funds, which can be proven by written statement of the holder of Participating Unit of Limited Participation Mutual Funds when buying the Participating Unit;
- h. Ensure funds realization of Limited Participation Mutual Funds is according to plan as stated in the Memorandum Information of the relevant Securities;
- i. Ensure Target Company submits funds realization report to Investment Manager; and
- j. Keep the Participating Unit of Limited Participation Mutual Funds in collective custody at Custodian and Settlement Agency.

#### Article 8

The provision related to activities prohibited to be done by Investment Manager as stipulated in the regulation concerning management guideline of the Mutual Funds in the form of Collective Investment Contract and any prohibited activities for Mutual funds as regulated in the regulation concerning Mutual Funds in the form of Collective Investment Contract guideline are not applicable to Limited Participation Mutual Funds.

#### Article 9

During the implementation of Limited Participation Mutual Funds, the Investment Manager is prohibited from:

- a. Buying foreign Securities;
- b. Buying Securities issued by party that has affiliation with Investment Manager, unless Affiliation took place due to government equity;
- c. Issue debt Securities or equity Securities; and/or
- d. Involved in a number of loans.

#### Article 10

Limited Participation Mutual Funds can have investor representation as communication liaison between Participating Unit Holder and Investment Manager concerning investment activities and Limited Participation Mutual Funds development.

#### Article 11

- (1) Investment Manager who manages the Limited Participation Mutual Funds must have goodwill and fully responsible in conducting their duties well, solely for the interest of the Participating Unit Holder of Limited Participation Mutual Funds.
- (2) In the case Investment Manager fail to conduct their responsibilities as referred to in clause (1), the Investment Manager is responsible upon all loss incurred due to their own act.

#### Article 12

- (1) Custodian Bank must conduct calculate the Net Asset Value for Limited Participation Mutual Funds once every 3 (three) months and submit to Financial Services Authority electronically through electronic reporting system provided by the Financial Services Authority and available for Participating Unit Holder of Limited Participation Mutual Funds.
- (2) Further provision concerning electronic reporting system as referred to in clause (1) is regulated in the Financial Services Authority Circular Letter.

#### Article 13

Provisions concerning buying and buyback (redemption) Mutual Funds Participating Unit as stipulated in the regulation concerning the guideline for managing Mutual Funds in the Form of Collective

Investment Contract are not applicable for Limited Participation Mutual Funds.

#### Article 14

Provisions concerning time limit for obtaining management funds for at least IDR 25,000,000,000 (twenty five billion rupiah) as stipulated in the regulation concerning the guideline for managing Mutual Funds in the Form of Collective Investment Contract are not applicable for Limited Participation Mutual Funds.

#### Article 15

The obligation to submit Mutual Funds report as referred to in the regulation concerning Mutual Funds report do not apply for Limited Participation Mutual Funds, unless the submission of report on:

- a. Mutual Funds Asset and Liabilities report;
- b. Mutual Funds operation report;
- c. Report to specify modification in Mutual Funds net assets;
- d. Summary of Mutual Funds Portfolio.

### CHAPTER III

#### LIMITED PARTICIPATION MUTUAL FUNDS CONTRACT

#### Article 16

Limited Participation Mutual Funds Contract must comply with the regulation concerning contract guideline on Mutual Funds in the form of Collective Investment Contract, unless stipulate otherwise in this Financial Services Authority Regulation.

#### Article 17

Investment Manager who handles Limited Participation Mutual Funds must at least specify these points in the Collective Investment Contract:

- a. The name and address of the Investment Manager;
- b. The name and address of the Custodian Bank;
- c. Investment policy;
- d. Costs bear by Investment Manager Custodian Bank, Limited Participation Mutual Funds and investor;
- e. Securities Portfolio composition and investment limitation on Limited Participation Mutual Funds, also prohibited actions of the Investment Manager;
- f. Obligation and responsibilities of Manager Investment;
- g. Obligation and responsibilities of Custodian Bank;
- h. Investment Manager of Custodian Bank replacement;
- i. The rights of the Participating Unit holders, among others:
  - 1. To be given the information regarding the growing activities of the Limited Participation Mutual Funds and Net Asset Value of the Limited Participation Mutual Funds every 3 (three) months; and
  - 2. To demand for general meeting for the Participating Unit holders, when the Participating Unit holders represent 1/10 (one tenth) or more of the total number of the Participating Unit for Limited Participation Mutual Funds;
- j. The rights of the Investment Manager and Custodian Bank to request for general meeting for Participating Unit holders;
- k. Provisions regarding information access towards Target Company and control of the Target Company, in the case that Limited Participation Mutual Funds make investment on equity Securities;
- l. Procedure for Participating Unit buying process;
- m. Procedure for transition on Participating Unit;
- n. Procedure for calculating fair market value as the basis for setting Net Asset Value of the Limited Participation Mutual Funds;
- o. The submission of annual Limited Participation Mutual Funds financial report;
- p. Any forcing circumstance outside the capability of Investment Manager and/or Custodian Bank or force majeure which prohibiting

- Investment Manager and/or Custodian Bank from implementing or conducting their duties and responsibilities;
- q. Dissolution and liquidation of the Limited Participation Mutual Funds;
  - r. Allocation resulting from liquidation that has not taken over by the Participating Unit holders and/or when there are remaining funds;
  - s. Responsible party for the dissolution and liquidation of the Mutual Funds;
  - t. The appointment of judicial institution, alternative dispute resolution institution in the area of Capital Market, or other alternative dispute resolution institution as the institution to resolve conflict and civil dispute between Investment Manager, Custodian Bank and/or Participating Unit holder of the Limited Participation Mutual Funds;
  - u. Real Sector activities that become the investment target of the Limited Participation Mutual Funds;
  - v. The period of the Collective Investment Contract;
  - w. Minimum and maximum Participating Unit amount to be issued;
  - x. Investment termination mechanism on Target Company Securities;
  - y. Settlement mechanism and/or refunds gather from Participating Unit holders of the Limited Participation Mutual Funds, when during the specified time stated in the Collective Investment Contract, the Investment Manager who manages Limited Participation Mutual Funds fail to make investment on the Target Company Securities; and
  - z. general meeting mechanism of the Participating Unit holder.

#### CHAPTER IV

##### LIMITED PARTICIPATION MUTUAL FUNDS INVESTMENT

###### Article 18

The Limited Participation Mutual Funds can only make investment on:

- a. Debt Securities which do not offered through Public Offering; and
- b. Equity Securities issued by companies that are not Public Company.

###### Article 19

- (1) In the case that Limited Participation Mutual Funds not able to invest on Target Company, the Limited Participation Mutual Funds can make fund placement in time deposit at the longest 6 (six) month after Limited Participation Mutual Funds is listed.
- (2) Fund placement in time deposits as referred to in clause (1) can only be done in commercial bank which is not affiliated with the Investment Manager unless the Affiliation is due to government capital participation, with the provision that fund placement in time deposit at one commercial bank is at a maximum 10 % (ten percent) from the total Net Asset Value of the Limited Participation Mutual Funds.
- (3) The plan for fund placement in time deposit as referred to in clause (1) must be conveyed by Investment Manager to Financial Services Authority and Participating Unit holders of the Limited Participation Mutual Funds at the latest 5 (five) working days prior to fund placement which accompanied by its reason and impact towards the investment of the Participating Unit holders of the Limited Participation Mutual Funds.

## Article 20

Investment Manager who manages Limited Participation Mutual Funds must submit the following to Financial Services Authority:

- a. Investment report developed by Investment Manager each time the Limited Participation Mutual Funds make investment on any Real Sector Activities;
- b. Divestment report developed by Investment Manager each time Limited Participation Mutual Funds make divestment on any Real Sector Activities;
- c. Regular report on the implementation of Real Sector Activity developed by Limited Participation Mutual Funds expert every 6 (six) months.

## Part One

### Limited Participation Mutual Funds Investment in Debt Securities

## Article 21

In order to conduct investment monitoring on debt Securities, Limited Participation Mutual Funds can appoint Board of Trustee that listed in the Financial Services Authority to represent Limited Participation Mutual Funds' interest as the holders of debt Securities to supervise the implementation of debt Securities issuance agreement.

#### Article 22

- (1) Debt Securities as referred to in Article 21 must be supported with collateral assets in the form of fiduciary security and/or a mortgage of at least 100% (one hundred percent) from the amount of the said debt Securities, unless the debt Securities has been rated by the Securities rating Company which granted business permission from Financial Services Authority with adequate investment grade.
- (2) Custodian Bank of the Limited Participation Mutual Funds must register a mortgage and/or fiduciary transfer of ownership as referred to in clause (1) on behalf of the Custodian Bank for the interest of Limited Participation Mutual Funds according to the regulation that governs mortgage or fiduciary security.
- (3) In the case Custodian Bank of the Limited Participation Mutual Funds unable to register the mortgage and/or Fiduciary Security according to the assets included in the collateral of the debt Security, thus Custodian Bank must communicate reasons and legal consequences to Participating Unit holders of the Limited Participation Mutual Funds and Financial Services Authority.
- (4) Investment Manager who manages Limited Participation Mutual Funds must submit to Financial Services Authority the debt Securities report in the Limited Participation Mutual Funds Portfolio that will be matured.

#### Part Two

#### Limited Participation Mutual Funds Investment in Equity Securities

#### Article 23

- (1) Limited Participation Mutual Funds which investing on equity Securities must possess Investment Committee.
- (2) Investment Committee as referred to in clause (1) must at least has 1 (one) member with experience in corporate finance assessment for at least 5 (five) years.
- (3) The member of the Investment Committee as referred to in clause (2) might come from the Investment Manager's staff and/or a third party bound by an agreement with the Investment Manager.
- (4) Investment Manager Agreement with Investment Committee that derived from a third party as referred to in clause (3) must at least contain the provisions as follows:
  - a. The duration of agreement at least equal to the duration of Limited Participation Mutual Funds investment;
  - b. Agreement to comply with Indonesia's governing law; an
  - c. Termination of agreement can only be executed after receiving approval from Investment Manager solely for the interest of Limited Participation Mutual Funds.
- (5) If there was termination of agreement for Investment Committee members who belong to a third party before the end of the agreement, the Investment Manager must appoint replacement for the Investment Committee at the latest 10 (ten) days after the termination agreement taken place.

#### Article 24

- (1) In the case that Investment Manager who handles Limited Participation Mutual Funds investment in equity Securities do not have knowledge on the Target Company's line of business, the Investment Manager must appoint expert who has the capacity and skills according to the Target Company's line of business.
- (2) The Investment Manager who handles Limited Participation Mutual Funds can appoint deputy of Limited Participation Mutual Funds as

member of the Board of Directors and/or Commissioner at the Target Company.

- (3) Expert as referred to in clause (1) may come from Investment Manager's staff or a third party.
- (4) In the case that Investment Manager appoints a third party as an expert as referred to in clause (1) and/or member of Board of Directors and/or Commissioner at Target Company as referred to in clause (1), the Investment Manager must bind the third party with an agreement.
- (5) The third party agreement as referred to in clause (4) must at least contain the following provisions:
  - a. The duration of agreement at least equal to the duration of Limited Participation Mutual Funds investment;
  - b. Agreement to comply with Indonesia's governing law; an
  - c. Termination of agreement can only be executed after receiving approval from Investment Manager solely for the interest of Limited Participation Mutual Funds.
- (6) In the case that the third party agreement is terminated as referred to in clause (5) letter c before the end of the agreement, the Investment Manager must appoint replacement at the latest 10 (ten) working days since the termination of the said agreement.

#### Article 25

Limited Participation Mutual Funds investing in equity Securities must:

- a. Have access of information towards Target Company; and
- b. Control Target Company.

#### Article 26

Limited Participation Mutual Funds investing in equity Securities of Target Company must sell the relevant equity Securities if Target Company holds Public Offering with the following provisions:

- a. At the latest 6 (six) months after the Registration Statement is declared effective by the Financial Services Authority; or
- b. At the latest 6 (six) months after the end of transfer ban as stipulated in the regulation concerning restriction upon stocks issued before the Public Offering.

## CHAPTER V

### LIMITED PARTICIPATION MUTUAL FUNDS REGISTRATION

#### Article 27

- (1) The Investment Manager who manages Limited Participation Mutual Funds must submit the registration request upon the issuance of Limited Participation Mutual Funds to Financial Services Authority at the latest 10 (ten) working days after the Collective Investment Contract being signed.
- (2) Registration request as referred to in clause (1) must be accompanied with:
  - a. Collective Investment Contract drafted with notarial deed by a notary registered in the Financial Services Authority; and
  - b. Supporting documents upon the investment of Limited Participation Mutual Funds in debt Securities and equity Securities.

#### Article 28

- (1) When processing the registration request upon Limited Participation Mutual Funds as referred to in Article 27 clause (2), the Financial Services Authority must review the completeness of the request documents.
- (2) In order to support the review upon Collective Investment Contract on Limited Participation Mutual Fund, the Financial Services Authority has the authority to:

- a. Ask the Investment Manager who handles the Limited Participation Mutual Funds to conduct presentation; and/or
- b. Conduct local audit upon the Real Sector Activities and/or Target Company.

## Part One

### Registration Request for Limited Participation Mutual Funds Investing on Debt Securities

#### Article 29

- (1) Documents to support the registration request for Limited Participation Mutual Funds Investing on Debt Securities as referred to in Article 27 clause (2) letter b are:
  - a. Agreements related to the Limited Participation Mutual Funds;
  - b. Collateral documents supplemented by Fiduciary security deed and/or mortgage deed on behalf of Limited Participation Mutual Funds if collateral is required (when the document is existed);
  - c. Audit report from legal perspective and opinion conducted by Legal Consultant listed in Financial Services Authority regarding the following issuance:
    - 1. Debt Securities which becoming basic assets of the Limited Participation Mutual Funds;
    - 2. Limited Participation Mutual Funds.
  - d. Due diligence upon Target Company and Real Sector Activities signed by Investment Manager Board of Directors;
  - e. Brief financial summary of the Target Company who issues debt Securities for the last 3 (three) years or since its establishment;
  - f. Audit result report developed by Auditor listed in the Financial Services Authority regarding Real Sector Activities to be funded (if any);
  - g. Target Company Memorandum Information;
  - h. Transparency document on Limited Participation Mutual Funds;

- i. Related documents regarding the issuance of debt Securities among others the Issuance Agreement of debt Securities and other related agreements;
  - j. Curriculum vitae of the Investment Manager directly involves in the Limited Participation Mutual Funds supplemented with:
    1. A copy of the Chartered Financial Analyst (CFA) certificate; or
    2. A copy of individual license as Investment Manager and a letter proving experience in managing Mutual Funds Security Portfolio with at least 5 (five) years from the company of employment.
  - k. Statement signed by the Participating Unit prospective holder or Participating Unit holder who at least stated that the Participating Unit prospective holder or the Participating Unit of the Limited Participation Mutual Funds has understood and comprehended the investment structure of the Limited Participation Mutual Funds and risks that might happen; and
    1. The statement signed by the authorities according to the Article of Association/ Household Budget that states the Limited Participation Mutual Funds investment is conducted by authorities on behalf of the corporation, when Participating Unit prospective holder of the Limited Participation Mutual Funds is in the form of corporation.
- (2) The responsibility to submit documents to Financial Services Authority as referred to in clause (1) letter b, letter I, letter k and letter l can be done at the latest 30 (thirty) working days since the registration date of the Limited Participation Mutual Funds stipulated by the Financial Services Authority.

## Part Two

### Registration Request for Limited Participation Mutual Funds Investing on Equity Securities

#### Article 30

- (1) Documents to support the registration request for Limited Participation Mutual Funds Investing on equity Securities as referred to in Article 27 clause (2) letter b are:
- a. Agreements related to the Limited Participation Mutual Funds;
  - b. Agreement with Investment Committee members who came from a third party as referred to in Article 23 clause (3) (if any);
  - c. Agreement with third party representing the Limited Participation Mutual Funds as expert and/or member of the Board of Directors and/or Board of Commissioners at Target Company as referred to in Article 24 clause (4);
  - d. Audit report from legal perspective and opinion made by Legal Consultant listed in Financial Services Authority regarding the issuance of:
    1. Equity Securities which is the basic asset of Limited Participation Mutual Funds; and
    2. Limited Participation Mutual Funds
  - e. Audit result report made by the Auditor listed in the Financial Services Authority regarding Real Sector Activity which will be funded or the equity Securities;
  - f. Due diligence upon Target Company and Real Sector Activity signed by the Investment Manager Board of Director;
  - g. Brief financial summary of the Target Company which issue equity Securities for the last 3 (three) years or since the establishment;
  - h. Memorandum Information of the Target Company;
  - i. Transparency document of the Limited Participation Mutual Funds;
  - j. Documents related to Securities issuance among others the equity Securities Issuance Agreement and other related agreements;
  - k. Curriculum Vitae of the Investment Manager directly involved in the management of Limited Participation Mutual Funds supplemented with:
    1. A copy of the Chartered Financial Analyst (CFA) certificate; or

2. A copy of the individual license as Investment Manager Deputy and a statement to specify experience in managing Mutual Funds Securities Portfolio for at least 5 (five) years issued by the company of current employment.
  1. Statement signed by the Participating Unit prospective holder or Participating Unit holder who at least stated that the Participating Unit prospective holder or the Participating Unit of the Limited Participation Mutual Funds has understood and comprehended the investment structure of the Limited Participation Mutual Funds and risks that might happen; and
  - m. The statement signed by the authorities according to the Article of Association that states the Limited Participation Mutual Funds investment is conducted by authorities on behalf of the corporation, when Participating Unit prospective holder of the Limited Participation Mutual Funds is in the form of corporation.
- (2) The responsibility to submit documents to Financial Services Authority as referred to in clause (1) letter j, letter I and letter m can be done at the latest 30 (thirty) working days since the registration date of the Limited Participation Mutual Funds stipulated by the Financial Services Authority.

## CHAPTER VI

### SECURITIES FAIR MARKET VALUE IN THE LIMITED PARTICIPATION MUTUAL FUNDS SECURITIES PORTFOLIO

#### Article 31

Investment Manager who manages Limited Participation Mutual Funds must calculate Securities Fair Market Value in Limited Participation Mutual Funds Securities Portfolio and report to Custodian Bank every 3 (three) months at the latest the tenth (10) day after the end of March, June, September and December.

## Article 32

- (1) The calculation of the Fair Market Value as referred to in Article 31 is not subject to the regulation concerning Securities Fair Market Value in Mutual Funds portfolio.
- (2) In the case Limited Participation Mutual Funds have Securities Portfolio which is consisted of equity Securities registered and traded in the Bourse due to Public Offering conducted by Target Company, the calculation of the equity Securities Fair Market Value must comply with the regulation concerning Securities Fair Market Value in Mutual Funds portfolio.
- (3) In the case that the Net Asset Value of the Limited Participation Mutual Funds Collective Investment Contract is not subject to the regulation concerning Securities Fair Market Value in Mutual Funds Portfolio, the Investment Manager who manages Limited Participation Mutual Funds must stipulate calculation methodology for the Securities Fair Market Value in Limited Participation Mutual Funds portfolio consistently as the basis for calculating the Net Asset Value.

## CHAPTER VII

### GENERAL MEETING OF PARTICIPATING UNIT HOLDER FOR THE LIMITED PARTICIPATION MUTUAL FUNDS

## Article 33

- (1) General Meeting of Participating Unit holder is conducted by the Investment Manager who manages the Limited Participation Mutual Funds.
- (2) General Meeting of Participating Unit holder can be conducted upon:
  - a. Investment Manager initiative;
  - b. The request of Custodian Bank; or
  - c. The request of 1(one) person or more from the Participating Unit holder of the Limited Participation Mutual Funds whom together

represent 1/10 (one tenth) or more that the total number of the Participating Unit of the Limited Participation Mutual Funds.

#### Article 34

- (1) Investment Manager who manages Limited Participation Mutual Funds may conduct general meeting of Participating Unit holder in the case of:
  - a. Breach of agreement related to Limited Participation Mutual Funds including the breach of Collective Investment Contract allegedly conducted by Custodian Bank;
  - b. Approval request on the Collective Investment Contract amendment;
  - c. Adding, subtracting, and/or replacing the Investment Committee members;
  - d. Approval request on Limited Participation Mutual Funds' plan for additional Limited Participation Mutual Funds Securities Portfolio;
  - e. Approval request on the Limited Participation Mutual Funds' plan to conduct divestment upon the equity Securities from Real Sector Activities; and/or
  - f. Dissolution and liquidation the Limited Participation Mutual Funds.
  
- (3) Custodian Bank can request for general meeting of Participating Unit holder to Investment Manager through registered letter supplemented with the reasons and copy (c.c) to the Participating Unit holder of the Limited Participation Mutual Funds and Financial Services Authority in the case of:
  - a. There is a breach of agreement related to Limited Participation Mutual Funds including the breach of Collective Investment allegedly conducted by Investment Manager and/or Custodian Bank; and/or
  - b. Request to replace Investment Manager;
  - c. Request to replace Custodian Bank; and/or

- d. Request for additional, subtraction and/or replacement of Investment Committee members.

#### Article 35

Investment Manager must make a calling for general meeting of Participating Unit holder within at least 15 (fifteen) days since the date of the request for general meeting of Participating Unit holder is received.

#### Article 36

- (1) In the case Investment Manager does not make a calling for general meeting of Participating Unit holder as referred to in Article 35, the request for general meeting of Participating Unit holder as referred to in Article 34 clause (3) must be repeated to Custodian Bank;
- (2) Custodian Bank must make a calling for general meeting of Participating Unit holder as referred to in clause (1) within at least 15 (fifteen) days from the date of the request for general meeting of Participating Unit holder is received.
- (3) In the case Custodian Bank do not make a calling for general meeting of Participating Unit holder within the specified time as referred to in clause (2), the Participating Unit holder of the Limited Participation Mutual Funds requesting for the implementation of general meeting of Participating Unit holder can submit their request to Financial Services Authority to grant permission for the requester to make their own calling for the implementation of general meeting of the Participating Unit holder.
- (4) After the Financial Services Authority calls and listens to the Participating Unit holder, the Investment Manager and/or Custodian Bank, grants permission to conduct general meeting of Participating Unit holder when the requester have proven their reasons for the implementation of the general meeting of Participating Unit holder and obtain fair interest for the implementation of general meeting of Participating Unit holder.

- (5) The Financial Services Authority's provision as referred to in clause (4) also consisted provisions concerning:
- e. The form of general meeting of Participating Unit holder, the agenda according to Participating Unit holder of Limited Participation Mutual Funds' request, timeline for the calling of general meeting of Participating Unit holder, attendance quorum, and/or stipulation concerning decision making requirement in the general meeting of Participating Unit holder, the appointment of meeting chairman, according to or non-binding to Limited Company Law; and/or
  - f. Instruction that requires Investment Manager and/or Custodian Bank to participate in the general meeting of Participating Unit holder.
- (6) The Financial Services Authority is authorized to reject request as referred to in clause (4) in the case that requester failed to prove the reasons for the implementation of general meeting of Participating Unit holder and has no fair interest for the implementation of general meeting of Participating Unit holder.
- (7) The General meeting of Participating Unit holder as referred to in clause (5) only can discuss meeting agenda as stipulated by the Financial Services Authority.

#### Article 37

In the case Investment Manager is not calling for general meeting of Participating Unit holder upon the request of Custodian Bank within the timeline as referred to in Article 35, then Custodian Bank can make its own calling for the general meeting of Participating Unit holder.

#### Article 38

- (1) The Investment Manager is obliged to convey the general meeting of Participating Unit holder's meeting agenda clearly and in detail to Financial Services Authority at the latest 7(seven) days before the

calling of general meeting of Participating Unit holder is conveyed to the Participating Unit holder.

- (2) The calling for general meeting of the Participating Unit holder to the Participating Unit holder is conveyed at the latest 14 (fourteen) days before the implementation of the general meeting of Participating Unit holder together with the agenda of the general meeting of the Participating unit holder.
- (3) The provisions on agenda delivery and the calling for general meeting of Participating Unit holder as referred to in clause (1) and clause (2) mutatis mutandis applicable for the implementation of general meeting of Participating Unit holder conducted by Custodian Bank or Participating Unit holder.

#### Article 39

- (1) General meeting of Participating Unit holder must be held if attended by Participating Unit holders represent more than 2/3 (two third) of the total number of Participating Unit of Limited Participation Mutual Funds.
- (2) In the case the general meeting of Participating Unit holder for the Limited Participation Mutual Funds is implemented in relation to the request for approval of additional Limited Participation Mutual Funds Securities Portfolio as referred to in Article 4 clause (2) letter b, the general meeting of Participating Unit holder must be attended by Participating Unit holder of the Limited Participation Mutual Funds that represent all Participating Unit of the Limited Participation Mutual Funds.
- (3) In the case of quorum as referred to in clause (1) and clause (2) are not met, the Investment Manager must make a second calling for general meeting of Participating Unit holder to Participating Unit holder with stipulation as referred to in Article 35 and specify the first general meeting of Participating Unit holder did not achieve quorum.
- (4) The second General Meeting of Participating Unit Holders is considered legit and entitled to make decision If during the second

general meeting of Participating Unit holder is attended more than ½ (half) of the total Participating Unit.

- (5) The provision concerning attendance quorum for second general meeting of Participating Unit holders as referred to in clause (4) do not apply to general meeting of Participating Unit holders implemented in relation to the approval request of additional Limited Participation Mutual Funds Securities Portfolio.
- (6) In the case quorum for the second general meeting of Participating Unit holders as referred to in clause (4) did not achieve, the Investment Manager or Custodian Bank may request to Financial Services Authority to stipulate a quorum for the third general meeting of Participating Unit holders.
- (7) The calling for third general meeting of Participating Unit holders must specify that the second general meeting of Participating Unit holders has been completed but did not reach a quorum and the third general meeting of Participating Unit holders will be conducted with a quorum stipulated by the Financial Services Authority.
- (8) The calling for the second and third general meeting of Participating Unit holders is done at the latest 7 (seven) days before the second or third general meeting of Participating Unit holders is conducted.

#### Article 40

- (1) The replacement of Investment Manager based on the result of general meeting of Participating Unit holders as referred to in Article 34 clause (3) letter b is conducted after receiving agreement from Financial Services Authority.
- (2) The replacement of Custodian Bank based on the result of general meeting of Participating Unit holders as referred to in Article 34 clause (3) letter c is conducted after receiving approval from Investment Manager and Financial Services Authority.

#### Article 41

- (1) Decision of the general meeting of Participating Unit holders is made based on deliberation of consensus.
- (2) In the case decision based on deliberation of consensus as referred to in clause (1) did not meet, then the decision is legitimate when agreed by more than  $\frac{1}{2}$  (half) of the number of Participating Unit votes issued during the general meeting of Participating Unit holders.
- (3) The Participating Unit holders who attended the general meeting of Participating Unit holders as referred to in clause (2), but abstained are considered providing the same votes as the majority of the Participating Unit issued during general meeting of Participating Unit holders.
- (4) In the case the general meeting of Participating Unit holders for Limited Participation of Mutual Funds is conducted in relation to the approval request for additional Limited Participation Mutual Funds Securities Portfolio as referred to in Article 4 clause (2) letter b, the general meeting of Participating Unit holders' decision is legitimate if agreed by the total Participating Unit holders of the Limited Participation Mutual Funds.

#### Article 42

Investment Manager, Custodian Bank or the Participating Unit holder for the Limited Participation Mutual Funds who conduct general meeting of Participating Unit holders must submit the result of the General Meeting of Participating Unit Holders to Financial Services Authority and copy to each relevant party.

### CHAPTER VIII ANNUAL FINANCIAL REPORT OF THE LIMITED PARTICIPATION MUTUAL FUNDS

#### Article 43

The Investment Manager together with Custodian Bank must develop Annual Financial Report of the Limited Participation Mutual Funds based on the prevailing accounting principles.

#### Article 44

The Annual Financial Report of the Limited Participation Mutual Funds must be audited by Accountant listed in the Financial Services Authority.

#### Article 45

- (1) The Investment Manager must submit the Annual Financial Report of the Limited Participation Mutual Funds which has been audited as referred to in Article 44 to Financial Services Authority.
- (2) The Annual Financial Report of the Limited Participation Mutual Funds which has been audited as referred to in Article 44 must be available for the Participating Unit holder of the Limited Participation Mutual Funds.

### CHAPTER IX

#### DISSOLUTION OF LIMITED PARTICIPATION MUTUAL FUNDS

#### Article 46

Limited Participation Mutual Funds must be dissolved when:

- a. Ordered by the Financial Services Authority according to the law and legislation in the Capital Market.
- b. Investment Manager and Custodian Bank have agreed to dissolve Limited Participation Mutual Funds with first obtaining agreement from all Participating Unit holders; or
- c. Limited Participation Mutual Funds is not investing on the Target Company Securities within 6 (six) months since the Limited Participation Mutual Funds is registered in the financial Services Authority.

#### Article 47

In the case Limited Participation Mutual Funds is dissolved due to the condition as referred to in Article 46 letter a, the Investment Manager must:

- a. Announce dissolution, liquidation and the plan to distribute the liquidate assets of Limited Participation Mutual Funds to all Participating Unit holder of the Limited Participation Mutual Funds at the latest 2 (two) working days since ordered by the Financial Services Authority, and on the same day provide written information to Custodian Bank to stop the calculation of the Net Asset Value for Limited Participation Mutual Funds;
- b. Instruct the Custodian Bank to pay off the cash of the liquidated assets which becoming the rights of the Participating Unit holders with the stipulated calculation which are proportionally from the Net Asset Value during the dissolution and that the liquidated assets are received by the Participating Unit holders at the latest 20 (twenty) working days since ordered by the Financial Services Authority to dissolve the Limited Participation Mutual Funds; and
- c. Submit the report of the result of dissolution, liquidation and the distribution of liquidated assets of the Limited Participation Mutual Funds to Financial Services Authority at the latest 60 (sixty) days since ordered for dissolution by the Financial Services Authority with documents as follow:
  1. Report on the result of dissolution, liquidation and distribution of liquidated assets of the Limited Participation Mutual Funds supplemented by the legal opinion from Legal Consultant listed in the Financial Services Authority;
  2. Financial report concerning dissolution, liquidation and distribution of liquidated assets of the Limited Participation Mutual Funds audited by the Accountant listed in the Financial Services Authority;

3. Dissolution and liquidation deed of the Limited Participation Mutual Funds from Notary listed in the Financial Services Authority.

#### Article 48

In the case the Limited Participation Mutual Funds is dissolved due to the condition as referred to in Article 46 letter b, the Investment Manager must:

- a. Convey to the Financial Services Authority at the latest 2 (two) working days since the agreement to dissolve the Limited Participation Mutual Funds take place between the Investment Manager and Custodian Bank, which are supplemented with:
  1. Dissolution and liquidation agreement of the Limited Participation Mutual Funds between Investment Manager and Custodian Bank;
  2. Agreement of the Participating Unit holders of the Limited Participation Mutual Funds;
  3. Reason for dissolution; and
  4. Latest financial status of the Limited Participation Mutual Funds;And on the same day announce the plan of dissolution, liquidation and distribution of liquidated asset of the Limited Participation Mutual Funds to the Participating Unit holders also to provide written information to Bank Custodian to stop the calculation of Net Assets Value of the Limited Participation Mutual Funds;
- b. Instruct Custodian Bank to pay off or distribute liquidated assets that becoming the rights of the Participating Unit holders of the Limited Participation Mutual Funds with provision that the calculation is done proportionally from the Net Asset Value when liquidation is finalized and the liquidated assets is received by the Participating Unit holders at the latest 7 (seven) working days since liquidation is finalized; and
- c. Submit the report of the dissolution, liquidation results and the distribution of liquidation assets of the Limited Participation Mutual

Funds to Financial Services Authority at the latest 60 (sixty) days since the dissolution with documents as follows:

1. Report on the result of dissolution, liquidation and distribution of liquidated assets of the Limited Participation Mutual Funds supplemented by the legal opinion from Legal Consultant listed in the Financial Services Authority;
2. Financial report concerning dissolution, liquidation and distribution of liquidated assets of the Limited Participation Mutual Funds audited by the Accountant listed in the Financial Services Authority;
3. Dissolution and liquidation deed of the Limited Participation Mutual Funds from Notary listed in the Financial Services Authority.

## CHAPTER X

### REPORTING OF THE LIMITED PARTICIPATION MUTUAL FUNDS

#### Article 50

Investment Manager who manages Limited Participation Mutual Funds or Custodian Bank must submit report on Information or Material Facts related to the Limited Participation Mutual Funds to Financial Services Authority and the Participating Unit Holders of the Limited Participation Mutual Funds at the latest 2 (two) working days since the Information or Material Facts take place.

#### Article 51

The report on funds realization as referred to in Article 7 letter i must be submitted by the Investment Manager who manages the Limited Participation Mutual Funds to Financial Services Authority and Participating Unit holder of the Limited Participation Mutual Funds every 3 (three) months at the latest on the 12<sup>th</sup> (twelfth) after the end of March, June, September and December.

## Article 52

- (1) Custodian Bank for the Limited Participation Mutual Funds must submit:
  - a. Asset and Reliability Report of the Limited Participation Mutual Funds;
  - b. Operational report of the Limited Participation Mutual Funds;
  - c. Changes of net asset report of the Limited Participation Mutual Funds; and
  - d. Portfolio summary of the Limited Participation Mutual Funds, to Financial Services Authority and Participating Unit holder every 3 (three) months using template specified in the Annex of the Mutual Funds report.
- (2) The reports as referred to in clause (1) must be submitted electronically through reporting system provided by the Financial Services Authority at the latest on the 12<sup>th</sup> (twelfth) day after the end of March, June, September and December.
- (3) Further provisions concerning electronic reporting system as referred to in clause (2) is stipulated in the Financial Services Authority Circular Letter.

## Article 53

The calculation of Net Asset Value of the Limited Participation Mutual Funds as referred to in Article 12 must be submitted by Custodian Bank to Financial Services Authority at the latest on the 12<sup>th</sup> (twelfth) day after the end of March, June, September and December.

## Article 54

The investment and divestment reports as reports as referred to in Article 20 letter a and letter b must be submitted by Investment Manager to Financial Services Authority and the Participating Unit holder at the latest 5 (five) working days since the Limited Participation Mutual Funds perform investment and divestment on certain Real Sector Activities.

#### Article 55

Regular report on the implementation of Real Sector Activity as referred to Article 20 letter c must be submitted by Investment Manager to Financial Services Authority and the Participating Unit holder of the Limited Participation Mutual Funds at the latest 5 (five) working days since the end of the 6 (six) months period.

#### Article 56

Report on the maturing Debt Securities of the Limited Participation Mutual Funds portfolio as referred to in Article 22 clause (4) must be submitted by Investment Manager to Financial Services Authority at the latest 5 (five) working days before the debt Security date of maturity.

#### Article 57

Report on the result of the general meeting of the Participating Unit holder as referred to in Article 42 must be submitted by Investment Manager, Custodian Bank or the Participating Unit Holder of the Limited Participation Mutual Funds which conducted the general meeting of the Participating Unit holder to the Financial Services Authority at the latest 2 (two) working days after the general meeting of the Participating Unit holder is implemented.

#### Article 58

The Annual Financial report of the Limited Participation Mutual Funds which has been audited as referred to in Article 45 clause (1) must be submitted by the Investment Manager to Financial Services Authority at the latest on the last day of the third month after the end of the Annual Financial Report period.

#### Article 59

In the case that the deadline of report submission as referred to in Article 51, Article 52, Article 53 and Article 58 fall on national holiday, then those reports must be submitted 1 (one) day after.

## CHAPTER XI PROVISIONS ON SANCTIONS

### Article 60

- (1) By no means undermining criminal stipulations in the Capital Markets Sector, the Financial Services Authority is authorized to impose administrative sanctions against any parties who violate provisions in this Financial Services Authority Regulation including those responsible for those violations, in the form of:
  - a. a written warning;
  - b. penalty, namely an obligation to pay a certain amount of money;
  - c. restriction of business activity;
  - d. suspension of business activity;
  - e. revocation of business license;
  - f. cancellation of approval; and
  - g. cancellation of registration.
- (2) Administrative sanctions as referred to in paragraph (1) point b, point c, point d, point e, point f, or point g can be imposed with or without being preceded by an administrative sanction in the form of written warning as referred to in paragraph (1) point a.
- (3) The administrative sanction in the form of penalty as referred to in paragraph (1) point b can be imposed individually or collectively with other administrative sanctions as mentioned in paragraph (1) point c, point d, point e, point f or point g.

### Article 61

In addition to the administrative sanctions as mentioned Article 60 clause (1), the Financial Services Authority can exercise particular actions against any

party who violates stipulations in this Regulation of the Financial Services Authority.

#### Article 62

The Financial Services Authority can publicize the imposition of administrative sanctions as referred to in Article 60 clause (1) and other particular actions as referred to in Article 61 to community.

### CHAPTER XII TRANSITIONAL PROVISIONS

#### Article 63

The Investment Manager who has managed the Limited Participation Mutual Funds and its Portfolio is Securities offered through Public Offering must adhere to provisions in this Financial Services Authority Regulation at the latest within 3 (three) years since the promulgation of this Financial Services Authority Regulation.

#### Article 64

In the case the Financial Services Authority has not provided electronic reporting system, the reports as stipulated in this Financial Services Authority Regulation will be submitted to the Financial Services Authority according to the provision concerning letter, reporting and other documents submitted to Financial Services Authority.

### CHAPTER XIII CONCLUDING PROVISIONS

#### Article 65

At the time this Regulation of Financial Services Authority come into effect, the Decree of the Chairman of Indonesian Capital Markets and Financial Institutions Supervisory Agency number KEP-43/BL/2008 dated 14 February 2008 concerning Limited Participation Mutual Funds in the form of Collective

Investment Contract as well as Regulation Number IV.C.5 as its Annex shall be revoked and deemed no longer applicable.

Article 66

This Regulation of Financial Services Authority shall come into effect upon its promulgation.

For public cognizant, it is hereby ordered that this Regulation of the Financial Services Authority be promulgated in the State Gazette of the Republic of Indonesia.

Enacted in Jakarta  
On 8 December 2014  
CHAIRMAN OF BOARD OF COMMISSIONERS OF  
THE FINANCIAL SERVICES AUTHORITY,

[signature]

MULIAMAN D. HADAD

Promulgated in Jakarta:  
On 8 December 2014

THE MINISTER OF LAW AND HUMAN RIGHTS  
THE REPUBLIC OF INDONESIA

[signature]

YASONNA H. LAOLY

THE STATE GAZETTE OF THE REPUBLIC OF INDONESIA  
OF 2014 NUMBER 379

A copy of the original document  
Director of Legal I  
Legal Department,

[signature]

Tini Kustini

ELUCIDATION  
OF  
REGULATION OF FINANCIAL SERVICES AUTHORITY  
NUMBER 37/POJK.04/2014  
CONCERNING  
LIMITED PARTICIPATION MUTUAL FUNDS IN THE FORM OF COLLECTIVE  
INVESTMENT CONTRACT

I. GENERAL

Limited Participation Mutual Funds in the form of Collective Investment Contract hereinafter referred as the Limited Participation Mutual Funds is the vehicle used to gather funds from professional investor which then invested by Investment Manager at Securities Portfolio in order to support the development of real sector. The Limited Participation Mutual Funds can invest on Securities Portfolio either those being offered through Public Offering or not through Public Offering.

During its practice before this particular Financial Services Authority Regulation is legalized, most of the Limited Participation Mutual Funds Portfolio are Securities being offered through Public Offering, thus do not really differ from the existing Mutual Funds In the form of Collective Investment Contract. In relation to that, there is a need for the regulator to repositioning the Limited Participation Mutual Funds thus its purpose will be according to the prevailing international practices, which is to invest on Securities which not offered through Public Offering and to finance real sector activities.

With the improvement of this Limited Participation Mutual Funds regulation, it is hoped that the Securities management conducted by Investment Manager will be more accountable, professional and protect investors' interests, bearing in mind this Financial Services Authority Regulation among others governs the General Meeting of Participating Unit Holder, the responsibility of the Investment Manager to own Participating

Unit progressively according to the number of funds they managed, and request for statement of the Limited Participation Mutual Funds issuance.

Besides that, with the improvement on the existing Limited Participation Mutual Funds regulation with this Financial Services Authority Regulation, it is expected to increase Mutual Funds role as alternative financial resources for business world and to push for growth in business activities, especially in real sector.

## II. ARTICLE BY ARTICLE

### Article 1

Self-explanatory.

### Article 2

The existing regulation concerning the management guideline of the Mutual Funds in the form of Collective Investment Contract in which this Financial Services Regulation is being stipulated in the Regulation Number IV.B.1, The Annex of the Decree of the Chairman of Indonesian Capital Markets and Financial Institutions Supervisory Agency number KEP-552/BL/2010 dated 30 December 2010 concerning the Management Guideline of Mutual Funds in the form of Collective Investment Guideline or it superseded regulation.

### Article 3

#### Clause (1)

The term “professional investor” means investor that has the capacity to buy Participating Unit and conduct risk analysis towards the Limited Participation Mutual Funds as stipulated in this Financial Services Authority Regulation.

#### Clause (2)

The term “Public Offering” means Public Offering as referred to in Clause 1 number 15 of Law Number 8 year 1995 concerning Capital Market as its elucidation.

### Article 4

#### Clause (1)

The examples of Real Sector Activities are:

- a. Limited Participation Mutual Funds can invest on company in order to produce goods, such as buying vehicle to be rented out.
- b. Limited Participation Mutual Funds can invest on Target Company which then can be lent back by that company among other things to finance small and middle businesses in the real sector.

Clause (2)

Point a

The term “similar Securities” is Securities with the same time, such as similar Securities in the form of equity or similar Securities in the form of debt.

Point b

Self-explanatory.

Article 5

Self-explanatory.

Article 6

Clause (1)

Every Participating Unit holder of the Limited Participation Mutual Funds must invest at least 5,000,000 (five million) Participating Unit where in the initial investment value is 5,000,000 (five million) times IDR 1,000 (on thousand rupiah) which is the initial Net Asset Value of the Limited Participation Mutual Funds.

This minimum investment value will change according to the Net Asset Value of the Participating Unit of the Limited Participation Mutual Funds which takes place due to Securities Portfolio change of value.

Investment on the Participating Unit of the Limited Participation Mutual Funds cannot decrease but can be added more than 5,000,000 (five million) Participating Unit Limited Participation Mutual Funds.

Clause (2)

Self-explanatory.

Clause (3)

Self-explanatory.

Article 7

Point a

Self-explanatory.

Point b

Self-explanatory.

Point c

Number 1

The example of stipulating investment policy and strategy upon Real Sector Activities among others to provide direction to accept or reject investment proposal on any real sector activities proposed by Investment Manager Team when the Management Team is in doubt whether the prospective investment is in compliance with the prevailing investment policy and strategy.

Number 2

Self-explanatory.

Point d

Self-explanatory.

Point e

Self-explanatory.

Point f

The term “disclosure statement” means every written information in terms of Limited Participation Mutual Funds being offered not through Public Offering with the aim for other parties to buy the Participating Unit of the Limited Participation Mutual Funds.

Point g

Self-explanatory.

Point h

Self-explanatory.

Point i

Self-explanatory.

Point j

Self-explanatory.

Article 8

Self-explanatory.

Article 9

Point a

The term “foreign Securities” means Securities issued by company with foreign legal identities.

Point b

Self-explanatory.

Point c

Self-explanatory.

Point d

Self-explanatory.

Article 10

Self-explanatory.

Article 11

Clause (1)

Bearing in mind that all funds manages by Investment Manager are belong to the community, there must be maximum protection that oblige Investment Manager to conduct its duties as good as possible for the interest of the Limited Participation Mutual Funds.

Clause (2)

Investment Manager based on this clause is responsible on the loss of the Limited Participation Mutual Funds incurred due to mismanagement and irresponsible for the interest of the Limited Participation Mutual Funds.

Article 12

Self-explanatory.

Article 13

Self-explanatory.

Article 14

Self-explanatory.

Article 15

Existing regulation concerning Mutual Funds at the time of this Financial Services Authority Regulation comes into effect is the Regulation Number X.D.1, Annex to the Decree of the Chairman of the Capital Market Supervisory Agency Number KEP-06/PM/2004 dated 9 February 2004 concerning Mutual Funds Reports or any superseded regulation.

Article 16

Regulation concerning existing contract guideline of the Mutual Funds in the form of Collective Investment Contract at the time of this Financial Services Authority Regulation comes into effect is the Regulation Number IV.B.2, Annex to the Decree of the Chairman of the Capital Market Supervisory Agency Number KEP-553/BL/2010 dated 30 December 2010 concerning Contract Guideline on Mutual Funds in the form of Collective Investment Contract or any superseded regulation.

Article 17

Point a

Self-explanatory.

Point b

Self-explanatory.

Point c

Self-explanatory.

Point d

Self-explanatory.

Point e

Self-explanatory.

Point f

Self-explanatory.

Point g

Self-explanatory.

Point h

Self-explanatory.

Point i

Self-explanatory.

Point j

Self-explanatory.

Point k

Self-explanatory.

Point l

Self-explanatory.

Point m

Self-explanatory.

Point n

Self-explanatory.

Point o

Self-explanatory.

Point p

Self-explanatory.

Point q

Self-explanatory.

Point r

Self-explanatory.

Point s

Self-explanatory.

Point t

When this Financial Services Authority Regulation is issued, the alternative institution for dispute settlement in the Capital Market is the Indonesia Capital Market Arbitrage Institution (BAPMI).

Point u

Self-explanatory.

Point v

Self-explanatory.

Point w

Self-explanatory.

Point x

Self-explanatory.

Point y

Self-explanatory.

Point z

Self-explanatory.

Article 18

Self-explanatory.

Article 19

Self-explanatory.

Article 20

Self-explanatory.

Article 21

The example of Trustee supervising the implementation of issuance agreement of debt Securities among others is the Trustee to supervise the utilization of funds as the return from debt Securities bought by Limited Participation Mutual funds according to the agreement.

Article 22

Clause (1)

Party providing collateral is the Target Company or a Third party that acts for the interest of the Target Company.

Clause (2)

Self-explanatory.

Clause (3)

Self-explanatory.

Clause (4)

Self-explanatory.

Article 23

Clause (1)

Self-explanatory.

Clause (2)

Experience in the area of company financial audit is including experience in the area of corporate finance, investment banking and/or private equity.

Clause (3)

Self-explanatory.

Clause (4)

Point a

Self-explanatory.

Point b

Self-explanatory.

Point c

The termination of agreement before its due time can take place among other things because:

1. Force majeure;
2. Investment committee member from a third party is unable to perform its duties; and
3. Investment committee member from a third party is deceased.

Clause (5)

Self-explanatory.

Article 24

Clause (1)

Self-explanatory.

Clause (2)

Self-explanatory.

Clause (3)

Self-explanatory.

Clause (4)

Self-explanatory.

Clause (5)

Point a

Self-explanatory.

Point b

Self-explanatory.

Point c

The termination of agreement with the expert, and/or Board of Directors and/or Board of Commissioner at Target Company coming from a third party before the end of agreement period can take place due to:

1. Force majeure;
2. The expert and/or Board of Directors and or Board of Commissioners from a third party is unable to perform its duties; or
3. The expert and/or Board of Director and/or Board of Commissioners coming from a third party is deceased.

Clause (6)

Self-explanatory.

Article 25

Self-explanatory.

Article 26

Point a

Self-explanatory.

Point b

Existing regulation concerning limitation upon stocks being issued before Public Offering at the time of this Financial Services Authority Regulation comes into effect is the Regulation Number IX.A.6, Annex to the Decree of the Chairman of the Capital Market Supervisory Agency Number KEP-06/PM/2001 dated 8 Marche 2001 concerning Limitation Upon Stocks Issued Before Public Offering or any superseded regulation.

Article 27

Clause (1)

The request for registration in this clause includes registration upon the new issuance of Limited Participation Mutual Funds or

additional Securities Portfolio at Limited Participation Mutual Funds.

Clause (2)

Self-explanatory.

Article 28

Clause (1)

Self-explanatory.

Clause (2)

Point a

Presentation as referred to in this point is meant to gather comprehensive explanation.

Point b

Local audit as referred to in this point is meant to ensure the existence of Real Sector Activities and/or Target Company.

Article 29

Clause (1)

Point a

The term “agreements related to Limited Participation Mutual Funds” among other things means the agreement with Legal Consultant listed in the Financial Services Authority, agreement with Notary listed in the Financial Services Authority, agreement with the Accountant listed in the Financial Services Authority, the issuance agreement for medium term notes, and agreement related to collateral.

Point b

Self-explanatory.

Point c

Self-explanatory.

Point d

Self-explanatory.

Point e

Brief financial summary of Target Company that issues debt Securities for the last 3 (three) years or since its establishment, is sourced from the financial report that has been audited by Accountant listed in the Financial Services Authority.

Point f

Self-explanatory.

Point g

Self-explanatory.

Point h

Self-explanatory.

Point i

The term “other related agreements” in this regulation means:

1. The agreement on the appointment of Trustee; and
2. Debt Securities buying agreement of Target Company (in any).

Point j

Self-explanatory.

Point k

Self-explanatory.

Point l

Self-explanatory.

Clause (2)

Self-explanatory.

Article 30

Clause (1)

Point a

The term “agreements related to the Limited Participation Mutual Funds” among other things in the form of stock buying agreement of Target Company, agreement with Legal Consultant listed in Financial Services Authority, agreement with Notary listed in

Financial Services Authority and agreement with auditor listed in Financial Services Authority.

Point b

Self-explanatory.

Point c

Self-explanatory.

Point d

Self-explanatory.

Point e

Self-explanatory.

Point f

Self-explanatory.

Point g

Brief financial summary of the Target Company that issue equity Securities for the last 3 (three) years or since its establishment, is sourced from the financial report that has been audited by Accountant listed in the Financial Services Authority.

Point h

Self-explanatory.

Point i

Self-explanatory.

Point j

The term “other related agreements” in this regulation means:

1. Agreement appointing the expert, Board of Directors and/or Board of Commissioners coming from a third party to represent the Limited Participation Mutual Funds at Target Company (if any); and
2. Stock buying agreement of the Target Company.

Point k

Self-explanatory.

Point l

Self-explanatory.

Point m

Self-explanatory.

Clause (2)

Self-explanatory.

Article 31

Self-explanatory.

Article 32

Clause (1)

Self-explanatory.

Clause (2)

Existing regulation concerning Fair Market Value of Securities in the Mutual Funds Portfolio at the time of this Financial Services Authority Regulation comes into effect is the Regulation Number IV.C.2, Annex to the Decree of the Chairman of the Capital Market Supervisory Agency Number KEP-367/BL/2012 dated 8 July 2002 concerning Fair Market Value of Securities in the Mutual Funds Portfolio or any superseded regulation.

Clause (3)

Self-explanatory.

Article 33

Self-explanatory.

Article 34

Self-explanatory.

Article 35

Self-explanatory.

Article 36

Clause (1)

Self-explanatory.

Clause (2)

Self-explanatory.

Clause (3)

Self-explanatory.

Clause (4)

The request for General Meeting of the Participating Unit Holder from Participating Unit holder to Financial Services Authority is conducted by supplementing the prove request for the implementation of General Meeting of the Participating Unit Holder to Investment Manager and Custodian Bank.

Clause (5)

Self-explanatory.

Clause (6)

Self-explanatory.

Clause (7)

Self-explanatory.

Article 37

Self-explanatory.

Article 38

Self-explanatory.

Article 39

Self-explanatory.

Article 40

Self-explanatory.

Article 41

Self-explanatory.

Article 42

Self-explanatory.

Article 43

The term “common accounting principle” in this article means the Standard Guideline for Financial Accounting stipulated by Indonesia Accounting Body and other common accounting practices in the Capital Market.

Article 44

Self-explanatory.

Article 45

Self-explanatory.

Article 46

Self-explanatory.

Article 47

Point a

Self-explanatory.

Point b

Self-explanatory.

Point c

That all financial reports regarding dissolution, liquidation and distribution of liquidation assets of the Limited Participation Mutual Funds that have been audited by the Accountant listed in the Financial Services Authority include the period until dissolution, liquidation and distribution of liquidation assets of the Limited Participation Mutual Funds have taken place.

Article 48

Point a

Self-explanatory.

Point b

Self-explanatory.

Point c

That all financial reports regarding dissolution, liquidation and distribution of liquidation assets of the Limited Participation Mutual Funds that have been audited by the Accountant listed in the Financial Services Authority include the period until dissolution, liquidation and distribution of liquidation assets of the Limited Participation Mutual Funds have taken place.

Article 49

Point a

Self-explanatory.

Point b

Self-explanatory.

Point c

Self-explanatory.

Point d

That all financial reports regarding dissolution, liquidation and distribution of liquidation assets of the Limited Participation Mutual Funds that have been audited by the Accountant listed in the Financial Services Authority include the period until dissolution, liquidation and distribution of liquidation assets of the Limited Participation Mutual Funds have taken place.

Article 50

Information or Material Fact is the information or important and relevant facts concerning any events, incidents or facts that can influence Securities price and/or the decisions of the investor, prospective investor or other Party that has interest toward those information or facts.

Article 51

Self-explanatory.

Article 52

Self-explanatory.

Article 53

Self-explanatory.

Article 54

Self-explanatory.

Article 55

Self-explanatory.

Article 56

Self-explanatory.

Article 57

Self-explanatory.

Article 58

Self-explanatory.

Article 59

Self-explanatory.

Article 60

Self-explanatory.

Article 61

The term “specific action” among other things means the order given to Investment Manager who manages Limited Participation Mutual Funds to conduct divestment upon their investment at Target Company.

Article 62

Self-explanatory.

Article 63

Self-explanatory.

Article 64

Existing regulation concerning letter, reports and other documents submitted to the Financial Services Authority at the time of this Financial Services Authority Regulation comes into effect is the Regulation Number II.A.3, Annex to the Decree of the Chairman of the Capital Market Supervisory Agency Number KEP-41/PM/1997 dated 26 December 1997 concerning Letter, Reports and Other Documents Submitted to Bapepam or any superseded regulation.

Article 65

Self-explanatory.

Article 66

Self-explanatory.

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