

Number : KSEI-7105/DIR/0518
Attachment : -
Letter Classification : General

Jakarta, May 11, 2018

To: Board of Directors of Account Holders
Indonesia Central Securities Depository (KSEI)

Re: Freezing of Guarantee Securities Sub-Accounts (SRE 004) that Have Not Updated Their Investor Data

Dear Sir/Madam,

As a follow-up to the following provisions:

- 1) Article 18 Section 1 of the Financial Services Authority (OJK) Regulation No. 12/POJK.01/2017 on the Implementation of the Anti-Money Laundering and the Prevention of Terrorism Funding in the Financial Service Sector Programs:

"Financial Service Providers are prohibited from opening or maintaining anonymous or fictitious named accounts."

- 2) Article 2 letter "d" of the Financial Services Authority (OJK) Regulation No. 74/POJK.04/2017 on Securities Sub-Accounts within Depository and Settlement Institutions:

"It is compulsory for participants which administrate customers' securities sub-accounts of securities that are deposited at Depository and Settlement Institutions to:

- a. ...
- b. ...
- c. ...
- d. *"Verify that the Customers' identity registered in the Participant's records are similar to the Customers' identity registered in the Securities Sub-Account."*

- 3) Article 5 Section 4 of the Securities Account Agreement:

"Account Holders are responsible for the verification of Securities Sub-Account registration, Customers Securities Transaction, and updating documents and/or data for each Customers in compliance to the 'Know Your Customer' principle pursuant to prevailing Capital Market laws and regulations."

We hereby convey to you the following points:

- i) It is mandatory for KSEI Participants to verify that the SID and/or Securities Sub-Accounts utilized during Stock Exchange Transactions are SID and/or Securities Sub-Accounts are owned by Customers, based on real data, and still valid at KSEI;
- ii) In the event that there are any SID and/or Securities Sub-Accounts that are not valid, based on KSEI records, used during Stock Exchange Transactions by KSEI Participants, KSEI reserves the right to take necessary actions, including but not limited to, freezing the Securities Sub-Account in question (including 004 Securities Sub-Accounts). We hereby consider that KSEI participants have given their approval to KSEI to take actions against the SID and/or Securities Sub-Account in question which are owned by their Customers.
- iii) In relation to the SID Data Revamping Activity in which previously KSEI has deleted Double SIDs and frozen Securities Sub-Accounts (SRE) 01 which have not updated their data as of April 26, 2018,

KSEI will hereby **freeze SRE 04** Securities Sub-Accounts that are linked to the previously frozen SRE 01 if they still have not updated their data by Thursday, May 17, 2018.

For further questions please contact our Account Management Unit at e-mail address pr@ksei.co.id or please contact Pungkas (52991136), Ajeng (52991145), Yosye (52991802) and Awaluddin (52991054).

Thank you for your kind attention and cooperation.
Sincerely yours,

Syafruddin
Director

Supranoto Prajogo
Director

CC:

1. Board of Directors of Indonesia Stock Exchange
2. Board of Directors of Indonesian Clearing and Guarantee Corporation
3. Board of Directors Indonesia Central Securities Depository