

Regulation of KSEI No. I-C regarding Securities Sub-Account (Attachment to the Decree of the Board of Directors of KSEI No. KEP-0015/DIR/KSEI/0224, dated February 15, 2024)

**REGULATION OF KSEI NUMBER I-C
REGARDING
SECURITIES SUB-ACCOUNT**

1. DEFINITIONS

In this regulation, referred to as:

- 1.1. **Securities Sub-Account** shall be the Securities Account under the name of the client who is recorded in the Securities Account under the name of the Account Holder at KSEI.
- 1.2. **Depository Securities Sub-Account** which hereinafter will be referred to as “**Securities Sub-Account 001**” shall be Securities Sub-Account used by the Account Holder to deposit and record Securities and/or fund owned by the client of the Account Holder.
- 1.3. **Guarantee Securities Sub-Account** which hereinafter will be referred to as “**Securities Sub-Account 004**” shall be Securities Sub-Account used by the client of the Account Holder who constitutes a Clearing Member to place collateral in the form of Securities and/or fund which can be used by KPEI to settle Stock Exchange Transaction and/or to settle the obligations of the client of the Clearing Member.
- 1.4. **Lender Securities Sub-Account for Securities Lending and Borrowing** which hereinafter will be referred to as “**Securities Sub-Account 005**” shall be Securities Sub-Account used by the client of the Account Holder who has obtained approval from KPEI, to place Securities to be lent and/or to receive the return of lent Securities in relation to Securities lending and borrowing transaction at KPEI.
- 1.5. **Margin Transaction Funding Securities Sub-Account** which hereinafter will be referred to as “**Securities Sub-Account 008**” shall be Securities Sub-Account used by the client of the Account Holder to place Securities and/or fund, specifically for the purpose of the client’s Margin Transaction which is qualified to receive Securities Transaction settlement funding at Stock Exchange Transaction.
- 1.6. **Sharia Securities Sub-Account** which hereinafter will be referred to as “**Securities Sub-Account 009**” shall be Securities Sub-Account which can be used by the client of the Account Holder to deposit and record Sharia-based Securities and/or fund for the purpose of settlement of Sharia-based Securities Transaction owned by the client of the Account Holder in accordance with its function based on the Laws and Regulations.
- 1.7. **Repurchase Agreement Transaction** which hereinafter will be referred to as “**Repo Transaction**” shall be Securities sale or purchase contract with an agreement to buy back or to resell at a determined time and price, as referred to in Article 1 Paragraph 1 of the Regulation of the Financial Services Authority Number 9/POJK.04/2015 regarding the Guidelines on Repurchase Agreement Transaction for Financial Services Institutions.

- 1.8. **Securities Sub-Account for KPEI Bilateral Securities Lending and Borrowing** which hereinafter will be referred to as “**Securities Sub-Account for PME Bilateral KPEI**” shall be Securities Sub-Account used by the client of the Account Holder who has obtained approval from KPEI to manage bilateral Securities lending and borrowing facility provided by KPEI based on the Laws and Regulations.
- 1.9. **Securities Sub-Account for KPEI Repo Transaction Management** which hereinafter will be referred to as “**Securities Sub-Account for KPEI Repo Transaction**” shall be Securities Sub-Account used by the client of the Account Holder who has obtained approval from KPEI to manage Repo Transaction facility provided by KPEI based on the Laws and Regulations.
- 1.10. **Securities Sub-Account for KPEI Securities Derivative Contract Transaction** which hereinafter will be referred to as “**Securities Sub-Account for KPEI Derivative Contract Transaction**” shall be Securities Sub-Account used by the client of the Account Holder who has obtained approval from KPEI to settle Securities Derivative Contract transaction of the client of the Account Holder provided by KPEI based on the Laws and Regulations.
- 1.11. **Account Holder** shall be the Party whose name is recorded as the holder of Main Securities Account or the Party who is stipulated by and/or has obtained approval from the Financial Services Authority as the holder of Main Securities Account.
- 1.12. **PT Kustodian Sentral Efek Indonesia**, which hereinafter will be abbreviated as “**KSEI**” shall be the company who has obtained business permit from the Financial Services Authority to administer business activities as the Central Securities Depository.
- 1.13. **Securities** shall be promissory notes or investment contract either in conventional and digital forms or in other forms in accordance with the development of technology which are granting rights to their owner directly and indirectly to gain economic benefit from the issuer or from a certain party based on an agreement and every Derivative of the Securities which is exchangeable and/or tradable at the Capital Market, as referred to in Law regarding Capital Market which has been amended by Law Number 4 of the Year 2023 regarding the Development and Strengthening of Financial Sector.
- 1.14. **Financial Service Authority** which hereinafter will be abbreviated as “**OJK**” shall be an independent state institution with regulating, supervising, auditing, and investigating functions, duties, and authorities, as referred to in Law regarding the Financial Services Authority which has been amended by Law Number 4 of the Year 2023 regarding the Development and Strengthening of Financial Sector.
- 1.15. **Regulation of KSEI** shall be a regulation issued by KSEI and which will be effective after obtaining approval from OJK, including its implementing regulations issued by KSEI from time to time.
- 1.16. **Clearing Member** shall be an institution fulfilling the terms and conditions of the Clearing and Guarantee Institution at the Capital Market to obtain clearing and/or guarantee services for Securities transaction settlement carried out through Market Administrator at the Capital Market as referred to in Law regarding Capital Market which has been amended by Law Number 4 of the Year 2023 regarding the Development and Strengthening of Financial Sector.

- 1.17. **PT Kliring Penjaminan Efek Indonesia** which hereinafter will be abbreviated as “**KPEI**” shall be a company who has obtained business permit from OJK to administer business activities as the Clearing and Guarantee Institution.
- 1.18. **Margin Transaction** shall be Securities purchase transaction for the interest of the client financed by the Company as referred to in Regulation of the Financial Services Authority regarding Securities Transaction Financing by Securities Company for the Client and Short Selling Transaction by Securities Company.
- 1.19. **Dorman Securities Sub-Account** which hereinafter will be referred to as the “**Dormant Account**” shall be Securities Sub-Account which within a period of 180 (one hundred eighty) calendar days consecutively starting as of the last date of record of the balance of the Securities and/or fund as stipulated in the Regulation of KSEI, does not have:
- i. the balance of Securities and/or fund in the relevant Securities Sub-Account and/or fund in the Client Fund Account linked to the relevant Securities Sub-Account; and
 - ii. the mutation of Securities and/or fund in the Securities Sub-Account and/or fund in the Client Fund Account linked to the relevant Securities Sub-Account.
- 1.20. **Special Securities Account** shall be the Securities Account used by KSEI to deposit Securities and/or fund which have been administered by the Account Holder, since the relevant Account Holder no longer qualifies as stipulated in the Laws and Regulations or based on the instruction from OJK.
- 1.21. **Securities Account** shall be an account containing records regarding the position of Securities and/or fund recorded at KSEI.
- 1.22. **Working Days** shall be the day on which central Custodian and Securities Transaction settlement services being held by KSEI, which are from Monday through Friday, unless those days which constitute national holidays or which are declared as day-off by KSEI.

2. TYPES OF SECURITIES SUB-ACCOUNT

- 2.1. Securities Sub-Account consists of:
- a. Securities Sub-Account 001;
 - b. Securities Sub-Account 004;
 - c. Securities Sub-Account 005;
 - d. Securities Sub-Account 008;
 - e. Securities Sub-Account 009;
 - f. Securities Sub-Account for PME Bilateral KPEI;
 - g. Securities Sub-Account for KPEI Repo Transaction;
 - h. Securities Sub-Account for KPEI Derivative Contract Transaction; and
 - i. Securities Sub-Account for other purposes stipulated by KSEI in the circular letter of KSEI.
- 2.2. The Account Holder shall use Securities Sub-Account as referred to in point 2.1. above in accordance with its type and function.

3. OPENING OF SECURITIES SUB-ACCOUNT

3.1. General Provisions for the Opening of Securities Sub-Account

- 3.1.1. The Account Holder managing Securities and/or fund of the client shall open Securities Sub-Account to deposit and record Securities and/or fund of each of its client in accordance with the provisions of the Laws and Regulations.
- 3.1.2. Securities Sub-Account will be opened by KSEI either based on the application from the Account Holder, the instruction of OJK, or the needs of KSEI.
- 3.1.3. For each client of the Account Holder will be opened 1 (one) Securities Sub-Account 001.
- 3.1.4. The Client of the Account Holder shall firstly open Securities Sub-Account 001 by the Account Holder if it intends to open other type of Securities Sub-Account.
- 3.1.5. Securities Sub-Account is opened under the name of 1 (one) client of the Account Holder, in accordance with the identity of the relevant client of the Account Holder, based on the documents required in the Laws and Regulations as well as the Regulations of KSEI.
- 3.1.6. The Account Holder shall be responsible to ensure that the application for the creation of Securities Sub-Account under the name of the relevant client of the Account Holder delivered to KSEI shall be based on a written instruction from the client of the Account Holder and only for the interest of the client of the Account Holder.
- 3.1.7. In the event that it is required by KSEI, the application for the opening of Securities Sub-Account shall be supplemented by data and information or documents related to the identity of the client of the Account Holder as referred to in the Regulation of KSEI regarding Single Investor Identification (SID).
- 3.1.8. Data and information or documents delivered to KSEI as referred to in point 3.1.7. above must conform to the data and information or documents delivered by the client of the Account Holder to the Account Holder.
- 3.1.9. KSEI is entitled to refuse the application for the opening of Securities Sub-Account if there is any discrepancy of data and information or documents between those delivered to the Account Holder and data owned by KSEI or data of the third party which constitutes data reference source based on the approval of KSEI.
- 3.1.10. The Account Holder shall maintain data and information or supporting documents under the name of the client of the Account Holder in accordance with the provisions of the Laws and Regulations.
- 3.1.11. If based on the information from the client of the Account Holder, there is a change of data and information or documents of the client of the Account Holder resulting in the change towards Securities Sub-Account, then, the Account Holder shall update data on the relevant Securities Sub-Account.

3.1.12. The Account Holder may have Securities Sub-Account under its own name, both to deposit its own Securities portfolio and/or fund and/or for the operational purposes of the Account Holder, to the extent it does not contradict with the Laws and Regulations as well as the Regulations of KSEI.

3.1.13. The application for the opening of Securities Sub-Account as referred to in point 3.1.12. above by the Account Holder, must be supplemented by the reason or objective for the opening of the relevant Securities Sub-Account.

3.1.14. For the purpose of using Securities Sub-Account, the Account Holder must have and stipulate the standard operational mechanism or procedure for the administration of Securities Sub-Account.

3.2. Opening of Securities Sub-Account for the Client of a Clearing Member

The Account Holder who constitutes a Clearing Member, in addition to be obliged to open 1 (one) Securities Sub-Account 001 for its client, shall also open Securities Sub-Account 004.

3.3. Opening of Sharia Securities Sub-Account

The Account Holder, based on the request of the client of the Account Holder, may submit application for the opening of Securities Sub-Account 009 under the name of the client of the Account Holder for the purpose of Sharia-based Securities Transaction settlement by submitting application to KSEI in accordance with the mechanism stipulated by KSEI.

3.4. Opening of Securities Sub-Account for Securities Lending and Borrowing at KPEI

in the event that the client of the Account Holder constitutes a lender and/or a borrower in Securities lending and borrowing transaction at KPEI in the framework of supporting Stock Exchange Transaction, Clearing Member, and/or Custodian Bank activities who have obtained approval from KPEI shall submit application for the opening of Securities Sub-Account 005 under the name of the relevant client of the Account Holder.

3.5. Opening of Securities Sub-Account for KPEI Bilateral Securities Lending and Borrowing

3.5.1. In the event that the client of the Account Holder constitutes a lender and/or a borrower in bilateral Securities lending and borrowing transaction at KPEI, the Account Holder who has obtained approval from KPEI shall submit application for the opening of Securities Sub-Account for PME Bilateral KPEI under the name of the relevant client of the Account Holder.

3.5.2. The provisions regarding Securities Sub-Account for PME Bilateral KPEI will be further stipulated in the circular letter of KSEI.

3.6. Opening of Margin Transaction Funding Securities Sub-Account

The Account Holder providing Margin Transaction facility, may submit application for the opening of Securities Sub-Account 008 under the name of the relevant client of the Account Holder.

3.7. Opening of Securities Sub-Account for Repo Transaction Management at KPEI

3.7.1. In the event that the client of the Account Holder carries out Repo Transaction by using facilities provided by KPEI, the Account Holder who has obtained approval from KPEI shall submit application for the opening of Securities Sub-Account for KPEI Repo Transaction under the name of the relevant client of the Account Holder.

3.7.2. The provisions regarding Securities Sub-Account for KPEI Repo Transaction will be further stipulated in the circular letter of KSEI.

3.8. Opening of Securities Sub-Account for KPEI Securities Derivative Contract Transaction

3.8.1. The Account Holder who has obtained approval from KPEI to use Clearing and guarantee services for Securities Derivative Contract transaction settlement shall submit application for the opening of Securities Sub-Account for KPEI Derivative Contract Transaction under the name of the relevant client of the Account Holder.

3.8.2. The provisions regarding Securities Sub-Account for KPEI Derivative Contract Transaction will be further stipulated in the circular letter of KSEI.

3.9. The application for the opening of Securities Sub-Account as referred to in point 3.4. up to point 3.8. will be carried out in accordance with the mechanism stipulated by KSEI with due observance of the Laws and Regulations.

3.10. Opening of Securities Sub-Account for Other Purposes

The types, functions, as well as requirements and mechanism for the opening of Securities Sub-Account by the Account Holder for other purposes which are not included in this Regulation, will be stipulated in the circular letter of KSEI.

4. UTILIZATION OF SECURITIES SUB-ACCOUNT

4.1. In the event that the Participant who constitutes Broker-Dealer administer fund owned by the client through Securities Sub-Account, then, the relevant Participant shall:

4.1.1. administer fund owned by the client for the purpose of the client's Securities Transaction settlement in the Securities Sub-Account in accordance with the provisions of the Laws and Regulations;

4.1.2. carry out deposit of fund of the client for the purpose of Securities Transaction settlement through Securities Sub-Account, unless stipulated otherwise in the Laws and Regulations; and/or

4.1.3. carry out the granting of rights of the client in the form of fund acquired, among others, from Securities Transaction and/or Corporate Action through Securities Sub-Account, unless stipulated in the Laws and Regulations.

4.2. The provisions as referred to in point 4.1. will be applicable for the Participant carrying out business activities as Broker-Dealer who constitutes the user of administrative services of know your customer principles and/or as stipulated in the Laws and Regulations.

5. DORMANT ACCOUNT

If there is a Dormant Account in administering Securities Sub-Account, then, the Account Holder shall:

5.1. carry out the closing of the relevant Dormant Account starting as of the Securities Sub-Account is declared as Dormant Account by KSEI; or

5.2. pay penalty for the Dormant Account as referred to in the Regulation of KSEI regarding KSEI's Services Fees.

6. RELATIONSHIP BETWEEN KSEI AND THE CLIENT OF THE ACCOUNT HOLDER

6.1. KSEI will not be accountable to the client of the Account Holder for the administering Securities Sub-Account at KSEI by the Account Holder.

6.2. In carrying out its duties for the purpose of development and socialization of capital market industry activities, KSEI can contact the client of the Account Holder and inform regarding such communication to the Account Holder.

6.3. KSEI can transfer Securities and/or fund of the client of the Account Holder in the Special Securities Account into the designated Securities Account, to the extent KSEI has obtained delegation of administrative authority from the Account Holder and/or the approval from OJK.

7. CLOSING OF SECURITIES SUB-ACCOUNT

7.1. The closing of Securities Sub-Account can be carried out towards a part of or the entire types of Securities Sub-Account based on the application from the Account Holder, both based on the application from the client of the Account Holder or based on the Laws and Regulations.

7.2. The application for the closing of Securities Sub-Account 001 must be carried out simultaneously with the application for the closing of other types of Securities Sub-Account which are linked to the relevant Securities Sub-Account 001, if any.

7.3. The application for the closing of Securities Sub-Account may only be carried out if on the date of submission of application:

7.3.1. there is not any Securities and/or fund balance in the relevant Securities Sub-Account; and

- 7.3.2. there is not any outstanding obligation or right of the client of the Account Holder over Securities Transaction settlement activities based on the record of KPEI.
- 7.4. The Account Holder shall ensure and be responsible for ensuring that the Securities Sub-Account to be closed has fulfilled the provisions of point 7.3. above.
- 7.5. If the Securities Sub-Account to be closed does not fulfilled the provisions of point 7.3. above, then, KSEI will be entitled to refuse the application for the closing of the relevant Securities Sub-Account.
- 7.6. KSEI will close the Securities Sub- Account administered by the Account Holder if the relevant Account Holder does not fulfill the requirements as the Account Holder as referred to in the Regulation of KSEI and/or based on the instruction from OJK.
- 7.7. In the event that there is a closing of Securities Sub-Account by KSEI as referred to in point 7.6. above, if in the relevant Securities Sub-Account, there is a remaining Securities and/or fund, then, KSEI will transfer the relevant Securities and/or fund into the Special Securities Account.
- 7.8. The Securities Sub-Account which has been closed cannot be reopened.
- 7.9. The reopening of Securities Sub-Account which has been closed will be further regulated in the mechanism and procedure stipulated by KSEI with due observance of the provisions of the Laws and Regulations.

8. REPORT REGARDING SECURITIES SUB-ACCOUNT

- 8.1. KSEI provides report relating to the Securities Sub-Account at the end of each Working Day to the Account Holder through C-BEST or other mechanism stipulated by KSEI.
- 8.2. The report as referred to in point 8.1. above reveals data on Main Securities Account, Securities Sub-Account, SID, whether there is and/or there is not any balance of Securities and/or fund in the blocking, freezing, confiscation, as well as mutation of Securities and/or fund under the name of the client of the owner of Securities Sub-Account on the relevant Working Day.
- 8.3. The Account Holder shall examine the correctness as well as to carry out reconciliation between data recorded at the Account Holder and the report related to Securities Sub-Account as referred to in point 8.1. above in accordance with the mechanism stipulated by KSEI.
- 8.4. In the event that there is discrepancy in the recording of Securities and/or fund between the relevant report and the record of the Account Holder, then, the Account Holder shall deliver confirmation to KSEI on the subsequent Working Day for the recording of Securities and/or fund on the preceding Working Day, in accordance with the mechanism stipulated by KSEI.
- 8.5. If the delivery of confirmation over the discrepancy of report of KSEI as referred to in point 8.4. above is not delivered in accordance with the mechanism and deadline stipulated by KSEI in the circular letter of KSEI, then, KSEI will not be responsible for the correction action required in the relevant report of KSEI.

- 8.6. In the event that the Account Holder delivers confirmation over the discrepancy in the report of KSEI as referred to in point 8.4. above for more than once, then, the report to be used as the reference shall be the latest report delivered by the Account Holder.
- 8.7. Unless proven otherwise, the report made available by KSEI as referred to in point 8.1. above constitutes valid evidence of ownership for the Account Holder and/or the client of the Account Holder over the Securities and/or fund deposited in the Securities Sub-Account, in accordance with the provisions of the Laws and Regulations.

Stipulated in: Jakarta
On: February 15, 2024

PT Kustodian Sentral Efek Indonesia

Samsul Hidayat
President Director

Imelda Sebayang
Director of Finance and Administration