

THE REGULATION OF INDONESIA CENTRAL SECURITIES DEPOSITORY NUMBER VII REGARDING INSPECTIONS OF KSEI

1. DEFINITIONS

- 1.1. Unless specifically stipulated otherwise, then, all words and or terms in this regulation will have the same meaning as those referred to in Law of the Republic of Indonesia Number 8 of the Year 1995 regarding Capital Market, Law of the Republic of Indonesia Number 21 of the Year 2011 regarding the Financial Services Authority, and their entire implementing regulations.
- 1.2. In this regulation, referred to as:
 - 1.2.1. **Inspections** of KSEI shall be a series of activities of searching, collecting, interviewing, requesting information, preparing copies, and processing data and or other information carried out by the Examiner of KSEI in the framework of examining the compliance for the fulfillment of obligations of Service User towards the Regulations of KSEI as well as to verify and or to indicate the presence or non-existence of violation against the Regulations of KSEI.
 - 1.2.2. **PT Kustodian Sentral Efek Indonesia** which hereinafter will be referred to as “**KSEI**” shall be a company which has obtained business permit from OJK to administer business activities as the Central Securities Depository.
 - 1.2.3. **Service User** shall the Account Holder and or the Securities Issuer.
 - 1.2.4. **Regulation of KSEI** shall be the regulation issued by KSEI and will start to be effective upon obtaining approval from OJK, including its implementing regulations issued by KSEI from time to time.
 - 1.2.5. **PT Kliring Penjaminan Efek Indonesia** which hereinafter will be referred to as “**KPEI**” shall be a company which has obtained business permit from OJK to organize business activities as Clearing Guarantee Institution.
 - 1.2.6. **Examiner of KSEI** shall be an employee of KSEI and or other Party appointed by KSEI to carry out audit over the Service User.

2. PROCEDURE OF INSPECTION OF KSEI

- 2.1. Inspection of KSEI being carried out may be in the form of:
 - 2.1.1. Periodic Inspection of KSEI which is an inspection carried out in the framework of examining the compliance over the fulfillment of obligations of the Service User towards the Regulations of KSEI.
 - 2.1.2. Occasional Inspection of KSEI which is an inspection carried out in the framework of examining the presence of indication of violation by the Service User against the Regulations of KSEI, either carried out based on the needs of KSEI or upon the request of OJK, the Securities Exchange and or KPEI.
- 2.2. Inspection of KSEI will be started after the issuance of assignment letter for the Inspection of KSEI issued by the board of directors of KSEI.

- 2.3. Assignment letter for Inspection of KSEI as referred to in the provision of point 2.2. will be issued after the formulation of program for the Inspection of KSEI which at least contains:
 - 2.3.1. Legal basis;
 - 2.3.2. Objectives;
 - 2.3.3. Scope;
 - 2.3.4. Name of Examiner of KSEI; and
 - 2.3.5. Term.
 - 2.4. In carrying out the Inspection of KSEI, the Examiner of KSEI may, among others:
 - 2.4.1. request information, confirmation, and or evidence required from the Service User and or other Party which are required for the purpose of the Inspection of KSEI;
 - 2.4.2. examine the records, bookkeeping, and or other supporting documents;
 - 2.4.3. borrow or make copies over the records, bookkeeping, and or other documents to the extent necessary;
 - 2.4.4. enter a certain place or room which is believed to be the place for storing the records, bookkeeping, and or other documents; and or
 - 2.4.5. instruct the Service User to secure the records, bookkeeping, and or other documents kept in the place or room as referred to in point 2.4.4. above, for the purpose of the Inspection of KSEI.
- 3. REPORT ON INSPECTION RESULT**
- 3.1. After the execution of Inspection of KSEI, the Examiner of KSEI will be obliged to draw up the report on inspection result.
 - 3.2. Report on inspection result as referred to in the provision of point 3.1, will at least contain the following matters:
 - 3.2.1. Findings;
 - 3.2.2. Conditions;
 - 3.2.3. Recommendations;
 - 3.2.4. Responds of the Service User; and
 - 3.2.5. Conclusion.

- 3.3. KSEI will deliver the report on inspection result which is material in nature to OJK.
- 3.4. KSEI may deliver the report on periodic inspection result to the examined Service User and or other related Parties.

Stipulated in : Jakarta
On : December 1, 2014

PT Kustodian Sentral Efek Indonesia

[signature affixed]
Heri Sunaryadi
President Director

[signature affixed]
Sulistyo Budi
Director