

THE REGULATION OF INDONESIA CENTRAL SECURITIES DEPOSITORY NUMBER VIII REGARDING SANCTIONS 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. **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.
 - 1.2.2. **Service User** shall the Account Holder and or the Securities Issuer.
 - 1.2.3. **Main Securities Account** shall be Securities Account under the name of the Participant, or other party approved by OJK.
 - 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. **Working Day** shall mean the day on which central Custodian services being held by KSEI, which are from Monday through Friday, unless such day constitutes a national holiday or is declared as a day-off by KSEI.

2. TYPES OF SANCTIONS

- 2.1. KSEI may impose administrative sanctions to the Service User as follows:
 - 2.1.1. Written warning;
 - 2.1.2. A penalty of at the most Rp.300.000.000,- (three hundred million Rupiah);
 - 2.1.3. Temporary suspension for providing of services to Service User;
 - 2.1.4. Freezing of Main Securities Account;
 - 2.1.5. Annulment of Securities registration at KSEI; and or
 - 2.1.6. Closing of Main Securities Account.
- 2.2. Provisions regarding the types of sanctions as referred to in the provision of point 2.1 above are not tiered in nature as well as may be imposed individually and collectively with the imposition of other sanctions.

3. IMPOSITION OF SANCTIONS

- 3.1. Sanctions will be imposed towards the Service User whose committed violation against the Regulations of KSEI.
- 3.2. Sanctions will be imposed by having regard to the continuity of Capital Market industry.
- 3.3. Imposition of sanctions towards the Service User will be reported to OJK.
- 3.4. Imposition of sanctions will be effective starting as of the stipulation date of the sanction stipulation letter issued by KSEI.
- 3.5. For sanctions as stated in point 2.1.2 above, then:
 - 3.5.1. Payment of penalty must be made in accordance with the date stated in the sanction stipulation letter;
 - 3.5.2. If within the deadline as referred to in the provision point 3.5.1. above, the Service User did not carry out its obligation, then, KSEI may charge late payment interest of 1% (one percent) per calendar day from the value of the penalty being imposed, or may impose other sanctions, or combination between penalty sanction with other sanctions.

4. ADMINISTRATIVE EFFORTS AGAINST THE IMPOSITION OF SANCTIONS OF KSEI

- 4.1. Over the sanctions imposed by KSEI, the Service User entitled to submit application for administrative efforts to KSEI.
- 4.2. Application of administrative efforts as referred to in point 4.1 above will be submitted to KSEI at the latest 5 (five) Working Day starting as of the receipt of sanction stipulation letter by the Service User.
- 4.3. Application of administrative efforts will be submitted in writing using Indonesian Language which at least contain:
 - 4.3.1. the reason for the submission of administrative efforts application;
 - 4.3.2. any matters desired by the Party whose applying for administrative efforts; and
 - 4.3.3. the supporting data and or documents.
- 4.4. Over the application of administrative efforts pursuant to point 4.2 above, KSEI review and make as well as give the stipulation on the result of review over the administrative efforts to the Service User aforesaid.
- 4.5. Administrative efforts which submitted by the Service User does not stop the obligation of the Service User for the fulfillment of sanctions which have been stipulated.
- 4.6. In the event that the Service User mentioned objects to the result of stipulation over the administrative efforts issued by KSEI, the Service User aforesaid may submit Objections to OJK in accordance with the prevailing statutory regulations.

- 4.7. If OJK accepts a portion of or the entire objections submitted by the Service User, then:
- 4.7.1. The Service User obliged to deliver the decision of OJK regarding the relevant objection to KSEI;
 - 4.7.2. If OJK accepts a portion of or the entire objections submitted by the Service User, then, KSEI will issue and deliver amendment letter to the stipulation of sanctions regarding the adjustment or removal of stipulation of sanctions to the Service User and will publish it.
 - 4.7.3. Any action which has been taken by KSEI in relation to the imposition of sanctions towards the Service User will remain valid and binding starting as of the imposition of the sanctions mentioned by KSEI up to the date of receipt of information from the Service User regarding the result of objection over the sanctions of KSEI from OJK.
- 4.8. In relation to the sanction in the form of payment of penalty or interest, if OJK accepts a portion of or the entire objection submitted by the Service User, then, KSEI will be obliged to return the payment of penalty and or interest (if any) which has been received by KSEI to the Service User.
- 4.9. If the objection over the imposition of sanctions by KSEI mentioned is rejected by OJK by confirming the decision of KSEI, then, the sanctions remain to be implemented, whereas if the submission of the objection mentioned is granted by OJK by annulling or amending the decision of KSEI, then, the relevant sanctions will be revoked or corrected in accordance with the OJK decision.

5. PUBLICATION OF SANCTIONS

- 5.1. KSEI may publish sanctions imposed on the Service User by means of media which can be accessed by the public.
- 5.2. Amendment to the sanctions based on the result of decision of OJK towards the application of objection from the Service User will be published by means of media which can be accessed by the public.

Stipulated in : Jakarta
On : December 1st, 2014

PT Kustodian Sentral Efek Indonesia

[signature affixed]
Heri Sunaryadi
President Director

[signature affixed]
Sulistyo Budi
Director