

# **NEGOTIABLE CERTIFICATE OF DEPOSIT (NCD) REGISTRATION PROCEDURES AT KSEI**

## **1. NCD Registration**

- a. Issuers that wish to issue a Negotiable Certificate of Deposit (NCD) must first visit the Electronic Securities Registration System (SPEK) website at: **<https://spek.ksei.co.id>**.
- b. Issuers should log-in to the SPEK system and submit a Securities Registration Application. Issuers that do not have a SPEK account must first register for an account through the Registration menu as an Issuer.
- c. Prospective Issuers must apply for a NCD registration application through the SPEK system's Registration menu by selecting the Securities Application sub-menu and then appoint the party that shall register the Securities at KSEI.
- d. A Guide to the Electronic Securities Registration System can be obtained at the SPEK homepage.
- e. If necessary, PT KSEI can send an invitation to prospective Issuers for a meeting with relevant PT KSEI parties regarding the registration of the NCD at KSEI.

## **2. Document Requirements**

Prospective Issuers are required to upload the following supporting documents into the SPEK system:

- a. A copy of a valid Articles of Association/Articles of Association Amendment which include stipulations on Collective Custody,
- b. A copy of the Ministry of Justice and Human Rights Decree regarding the Approval of the Issuer's Articles of Association,
- c. A copy of the latest Deed on the Company's Structure of Management and Commissioners,
- d. A copy of the Ministry of Justice and Human Rights Report Letter on the Company's Restructuring of Management,
- e. A copy of the Tax Identification Number (NPWP) Card,
- f. A copy of a valid Letter of Domicile (SKD),
- g. A copy of the Identification Card of Authorized Persons/Agents in relation to any submitted Power of Attorney,
- h. The copy of The Financial Services Authority (OJK) approval letter regarding the issuance of NCD for the first time, then the bank may use the license for further NCD issuance.
- i. The copy of The Central Bank (Bank Indonesia) approval letter regarding the first time issuance of the money market tradable NCD, then the bank may use the license for further NCD issuance.
- j. A copy of the NCD Final Terms and Conditions Draft/Info Memo of NCD Structure in Bahasa Indonesia.

The NCD Structure enclosed in Final Terms and Condition Draft/Info shall become a reference in the drafting of agreements with KSEI. As the NCD shall be issued in electronic format, several stipulations on this must be included in the Terms and

Conditions of the NCD Issuance. Therefore, prospective Issuers can apply several collective custody stipulations as references to be included in the issuance document.

After registering the Securities in the SPEK System, it is mandatory for securities registration applicants to submit hardcopies which have been signed by the Issuer's authorized officials of the following documents:

- a. Securities Registration Form,
- b. Securities Registration Application Letter,
- c. Power of Attorney, which are normally granted to the Corporate Secretary or other related officials.
- d. Specimen of Signature (in relation to the Power of Attorney) and the Company's Seal,
- e. The NCD Final Terms and Conditions printout.

The documents above can be downloaded through the SPEK System after the Securities Registration Applicant has finalized the securities registration process. All of the hardcopies above, except for the Securities Registration Form, must be printed on paper that have the Issuer's company headers.

All of the documents must be submitted to PT KSEI attn: Custodian Services Division (Securities Management Unit) during operational hours as noted at KSEI's website.

If the required document hardcopies are not submitted within six months after the securities are registered through SPEK, the registration shall automatically be considered overdue and Issuers must restart the securities registration process.

### **3. Signing of Agreements**

As basis of the NCD registration at KSEI, prospective Issuers must also sign the following agreements with KSEI:

- a. NCD Registration at KSEI Agreement, and
- b. Paying Agent Agreement, **if** the NCD has a tenure that is longer than one year.

The NCD Registration at KSEI Agreement and Paying Agent Agreement shall use a standardized format prepared by KSEI and shall not accommodate any feedback for changes.

The signing of the Agreements shall be done separately through circular signing. The signing of the Paying Agent Agreement shall be done through a Notarial Deed or a Privately Made Deed based on a format provided by KSEI.

The NCD Registration at KSEI Agreement and Paying Agent Agreement shall be finalized and signed by KSEI on the same day of the Securities Registration Date of Approval in SPEK. Issuers and DIRE KIK Administrators can sign the agreements on a separate date within one month after the registration's approval date in SPEK. From the Issuers and DIRE KIK Administrators' side, the Agreement shall be signed by an official in the A Group classification.

If the NCD Registration Agreement has not been registered at KSEI within six months after the signing, the agreement shall be considered null and void. If the agreement is registered after that time period at KSEI, a new agreement must be drafted.

**4. NCD Registration in KSEI’s System (C-BEST)**

KSEI shall register the NCD into C-BEST after the prospective Issuer completes the Distribution Registration in the SPEK System and submit the Distribution Registration Form, along with supporting distribution documents to KSEI, no later than two working days before the Date of Distribution.

As the NCD shall not be registered in the Stock Exchange, KSEI shall release a different NCD Code for each NCD Series issued by the Issuer. If the Issuer has previously issued other securities that are registered in the Stock Exchange (e.g.: shares, bonds), then the alphabet digits in the NCD Code shall specifically use the four alphabet digits similar to the codes of the other securities previously issued by the Stock Exchange.

However, if the Issuer does not want to use similar alphabet digits as with their other securities and requests for new alphabets for their NCD Code, then the Issuer must submit a NCD Code Submission Letter to KSEI. The letter must be received by KSEI at the same time as the Distribution Registration Form, no later than two working days before the Date of Distribution.

**Note:**

The total number of Distribution Forms submitted to KSEI must be similar to the total of NCD Series that are issued by the Issuer.

**5. NCD Purchase Results**

Procedures for NCD purchases must be in compliance with the stipulations agreed by the Issuer and Arranger or Selling Agent. Results of NCD purchases should be made available in the form of a NCD Distribution Instruction Recapitulation of Limited Public Offering Results that shall be stored on a Compact Disc (CD) or other electronic media and must use a MS Excel format provided by KSEI. (see attached NCD Distribution Instruction Recapitulation form).

Data of the purchases must be submitted first by the Arranger or Selling Agent to KSEI which shall verify the validity of the data that are filled in the specified format.

1.	External Reference [NCD Code-yyyyymmdd-serial number	:	Enter: <ul style="list-style-type: none"> <li>• [NCD]: NCDCode provided by KSEI</li> <li>• [yyyyymmdd]: Date of Distribution</li> <li>• [serial number]: NCD buyer sequence number</li> </ul>
2.	Participant Code	:	Enter Account Holder Code
3.	Participant Account	:	Enter Account Holder Securities Account Code
4.	Counterpart Code	:	Enter REG01 code
5.	Security Code	:	Enter NCD Code
6.	Number of Securities	:	Enter the total amount of the purchased NCD
7.	Settlement Date	:	Enter Date of Distribution
8.	Description (50 Characters)	:	Enter name of prospective NCD Holder

Results of NCD purchase (in hardcopy format) that have been verified by KSEI must be submitted by the Arranger or Selling Agent to KSEI through a recommendation letter that is written in a specified format (Submission of NCD Distribution Instruction Recapitulation of Limited Public Offering Results Letter).

For distribution of the purchase results, the Issuer must deliver a NCD Distribution Instruction Letter to KSEI that provides an instruction to distribute the NCD electronically and is sealed with a Rp6,000 duty stamp. This instruction and a hardcopy of the NCD purchase must be submitted to KSEI at least one working day before the NCD's electronic distribution date.

Any delays in the delivery of the NCD distribution instruction should be avoided in order for KSEI to conduct the distribution of the purchased NCD securities through C-BEST in a timely manner, which is on the Date of Distribution (Issuance Date) as specified by the Issuer.

**Notes:**

- If the Arranger or Selling Agent of the NCD consist of a group of several parties, then a disc or file, as well as hardcopies, on the results of the NCD purchase that have been submitted to KSEI must be submitted to one of the Arrangers or Selling Agents that have registered the securities at KSEI.
- If the issued NCD consist of several series with different NCD codes, then the NCD Distribution Instruction Recapitulation of Limited Public Offering Results must be made in a single CD or file with separate worksheets for each NCD Code/Series.

**6. NCD Jumbo Certificate**

As proof of the electronic NCD issuance, the Issuer must issue a NCD Jumbo Certificate which shall be held at KSEI until the end of the NCD issuance period.

The NCD Jumbo Certificate is not required to be printed on security paper and may be printed on A4-sized HVS or any similar type of paper. However, the NCD Jumbo Certificate must be sealed with a Rp6,000 duty stamp and originally signed by an authorized official of the Issuer's management as a representative of the Issuer, as stipulated in its Articles of Association.

The NCD Jumbo Certificate shall be submitted by the Issuer to KSEI no later than one working day before the NCD's electronic distribution date.

The total number of the issued NCD Jumbo Certificates must be similar to the total number of the NCD Series issued by the Issuers and must be made in the format as specified by KSEI (see attached NCD Jumbo Certificate).

**7. NCD Distribution**

The NCD's electronic distribution shall be done on the same day as the Issuer's scheduled Date of Distribution.

KSEI shall distribute the NCD after it has validated the Distribution Registration in SPEK, received the NCD Distribution Instruction Recapitulation of Limited Public Offering Results from the Underwriter, and based on the distribution instruction from the Issuer.

It is mandatory for Issuers to send a NCD distribution instruction to KSEI through e-mail with an attached copy of the Issuer's Bank Statement that shows proof of receipt of the

funds gained from the NCD issuance, after all of the funds have been effectively received in the Issuer's account.

The NCD distribution shall be delivered down to the Securities Sub-Account level. Therefore, it is expected for Issuers to request KSEI Account Holders beforehand to open access to Securities Sub-Accounts on behalf of the NCD buyers (prospective NCD holders) at KSEI before the Date of Distribution.

## **8. Reporting**

KSEI shall provide a report regarding the NCD electronic distribution by no later than one working day after the Date of Distribution.

## **9. NCD Issuance Terms and Conditions**

A single copy of the final Terms and Conditions of the NCD Registration at KSEI must be submitted by the Issuer to KSEI along with the Distribution Registration document. The final Terms and Conditions must include the following data: interest/discount rates and NCD principal, as reference to input the NCD's data into C-BEST.

## **10. Fees**

The Issuers must pay the following fees for NCD registration at KSEI:

- a. **Joining Fee**  
The Issuer is charged with a single fee of Rp15,000,000 (fifteen million rupiahs) for every first Securities registration at KSEI (including both Equity and Debt Securities). Issuers which have registered their Securities at KSEI shall not be charged again.
- b. **Annual Fee**  
An annual fee of Rp10,000,000 (ten million rupiahs) shall be charged based on the NCD's Date of Distribution in C-BEST.

For the following years, the annual fee shall be charged fully if the NCD is still registered at KSEI more than one year after the Date of Distribution.

For example:

Company A has registered its NCD at KSEI and the NCD is electronically distributed on April 4, 2005. Therefore, the Annual fee that is charged to Company A is Rp10,000,000 (ten million rupiahs) for the period of April 7, 2005 to March 7, 2006. The company will be charged with another Rp10,000,000 Annual fee if the NCD is still registered at KSEI after the period has ended.

Value Added Tax (VAT) and other tax obligations are not included in all of the fees above. All existing tax obligations must be paid by the Issuer no later than 15 calendar days before the date that the full invoice is received by the Issuer from KSEI. A penalty fee of 0.5% of the total invoice amount shall be incurred for each day of delay.

## **11. Issuers Area Facility (ICSD Online )**

Issuers can monitor the ownerships and transfers of NCD registered at KSEI at all times through the Issuer Area Facility provided by KSEI. This facility can be accessed online by the Issuer at the following website: <https://online.ksei.co.id/>

To use this facility, Issuers must first register by filling the Issuer Area Registration Form (see attachment) that must be submitted at the same time as the NCD Distribution Registration Form, which is no later than two working days before the Date of Distribution.

General requirements for the use the Issuer Area Facility, include:

- a. A PC with a minimum system requirement of:
  - i. Intel Pentium
  - ii. 32 MB of RAM
- b. Access to the Internet.

Access to the Issuer Area Facility shall be effectively available for the Issuer within one working day after the Date of Distribution.

**Note:**

Issuers that have already registered and have access to KSEI's Issuer Area Facility through the issuance of other securities do not need to fill-in another Issuer Area Registration Form. Access to the new securities shall be automatically available within one working day after the Date of Distribution.

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