

To the Board of Directors/Principals of

Jakarta, July 27, 2020

1) The Investment Manager

2) The Custodian Bank

As the Participants of KSEI and/or the S-INVEST User

**Circular Letter**

No. SE-0005/DIR-EKS/KSEI/0720

**Regarding : Technical Requirements for the Investment Manager in Carrying Out Securities Transaction Activities for Their Own Interests**

In the framework of improving the quality of the services of KSEI, it is required the presence of mechanism in order to accommodate the needs of the Investment Manager in carrying out Securities Transaction activities for their own interests, with due observance of:

- I. The Regulation of the Financial Services Authority No. 28/POJK.04/2016 regarding the Integrated Investment Management System (State Gazette of the Republic of Indonesia of the Year 2016 Number 149);
- II. The Regulation of the Financial Services Authority No. 74/POJK.04/2017 regarding the Securities Sub-Account at the Central Securities Depository Institution (State Gazette of the Republic of Indonesia of the Year 2017 Number 295);
- III. The Letter of the Financial Services Authority No.S-139/D.04/2020 dated May 8, 2020, regarding the Code of Conduct of the Investment Manager in Carrying Out Securities Transactions;
- IV. The Letter of the Financial Services Authority Number S-157/D.04/2020 dated June 8, 2020, regarding the Technical Elucidation of S-139/D.04/2020 regarding the Code of Conduct of the Investment Manager in Carrying Out Securities Transactions;
- V. The Regulation of KSEI No. X-A regarding the Registration of the Integrated Investment Management System at KSEI (Attachment to the Decree of the Board of Directors of KSEI Number KEP-0038/DIR/KSEI/0816 dated August 31, 2016); and
- VI. The Regulation of KSEI No. I-C regarding the Securities Sub-Account (Attachment to the Decree of the Board of Directors of KSEI Number KEP-0029/DIR/KSEI/1217 dated December 22, 2017).

Based on the above mentioned matters, hereby it is conveyed the following technical requirements:

1. The Mechanism for the Utilization of Securities Sub-Account (SRE) and the Post Trade Processing Module in order to Accommodate the Investment Manager Carrying Out Securities Transactions for Their Own Interests:

**a. The Obligations of the Investment Manager**

- 1) The Investment Manager will be obliged to open SRE through the Custodian Bank acting as the Participants of KSEI at the C-BEST system for the purposes of depositing their own Securities portfolio as well as for the settlement of transactions for their own interests.
- 2) The SRE as referred to in point 1) above must bear the name of the relevant Investment Manager and must possess SID under the name of the related Investment Manager.
- 3) The Investment Manager will be obliged to use SRE under the name of the Investment Product in the form of Collective Investment Contract in the framework

of the needs of Securities Transactions for the purposes of the related Investment Product.

**b. The Obligations of the Custodian Bank**

- 1) The Custodian Bank administering the SRE owned by the Investment Manager for the purposes of depositing portfolio as well as the settlement of Securities Transactions for the personal interests of the Investment Manager will be obliged to register the code of product required for the purposes of transaction activities owned by the Investment Manager in the Post Trade Processing module at S-INVEST.
- 2) The Custodian Bank will be obliged to complete the information on the registration of product code as further stipulated in the Manual for the Users of the Investment Manager in Carrying Out Post Trade Processing Activities at S-INVEST issued by KSEI from time to time as stated in the attachment which constitutes an inseparable part to this circular letter (hereinafter will be referred to as the "User Manual").
- 3) The Authorities of the Custodian Bank as stipulated in this circular letter will only be applicable for the utilization of Post Trade Processing module at S-INVEST.

2. Basic Assets Transaction (Post Trade Processing)

The utilization of Post Trade Processing module for Basic Assets Transaction for its own interest from the Investment Manager must comply with the procedures and requirements in the Post Trade Processing module stipulated by KSEI in this Circular Letter and in the User Manual.

3. This Circular Letter will be effective starting as of its date of issuance.

Thank you for your attention.

Regards,

**Uriep Budhi Prasetyo**  
President Director

**Syafruddin**  
Director

**Supranoto Prajogo**  
Director

**Copies sent to:**

1. The Chief Executive Officer of Capital Market Supervisor of the Financial Services Authority (OJK);
2. The Head of Capital Market Supervisory 2 A Department of OJK;
3. The Director of Securities Institutions Supervisory of OJK;
4. The Director of Securities Transactions Supervisory of OJK;
5. The Director of Capital Market Regulations of OJK;
6. The Director of Investment Management of OJK;
7. The Head of TLE Policy Development of OJK;
8. The Board of Directors of PT Bursa Efek Indonesia;
9. The Board of Directors of PT Kliring Penjaminan Efek Indonesia;
10. The Association of Indonesian Investment Managers;
11. The Association of Indonesian Custodian Banks;
12. The Association of Indonesian Securities Companies;
13. The Board of Commissioners of KSEI; and
14. The Board of Directors of KSEI.