

# THE OPERATION OF FUTURE COMMODITY EXCHANGE (Government Regulation Number 49 Year 2014, dated June 30, 2014)

BY GRACE OF GOD THE ALMIGHTY

DECIDES :

THE PRESIDENT OF THE REPUBLIC OF INDONESIA,

Considering:

- a. that following the legalization of Law Number 10 Year 2011 on the Amendment to Law Number 32 Year 1997 regarding Future Commodity Exchange, Government Regulation Number 9 Year 1999 on the Operation of Future Commodity Exchange has not been suitable anymore thus needing to be replaced;
- b. that having regards to letter a, it is necessary to stipulate a government regulation on the operation of future commodity exchange;

In view of:

1. Article 5 paragraph (2) of the Constitution of 1945;
2. Law Number 32 Year 1997 on Future Commodity Exchange as already amended by Law Number 10 Year 2011 regarding the Amendment to Law Number 32 Year 1997 on Future Commodity Exchange (Statute Book of the Republic of Indonesia Year 2011 Number 79, Supplement to Statute Book of the Republic of Indonesia Number 5232);

To stipulate:

THE GOVERNMENT REGULATION ON THE OPERATION OF FUTURE COMMODITY EXCHANGE

## CHAPTER I

### GENERAL

#### Article 1

Referred to in this government regulation as:

1. Future Commodity Exchange hereinafter called Future Exchange shall be everything related to the sales and purchase of commodities by drawing margin and future settlement on the basis of future contract, sharia derivative contract and/or other derivative contract.
2. Commodities shall be the whole goods, service, rights and other interests and every derivative of commodities, which are tradable and becoming subject of future contract, sharia derivative contract and/or other derivative contract.
3. Future Commodity Exchange Supervisory Board hereinafter called Bappebti shall be a government institution having the main task to foster, develop and supervise future exchange.

4. Future Exchange shall be a business entity organizing and providing a system and/or facility for the sales and purchase of commodities on the basis of future contract, sharia derivative contract and/or other derivative contract.
5. Future Contract shall be a form of standard contract for the purchase or sales of commodities by future settlement as set forth inside contract traded at Future Exchange.
6. Derivative Contract shall be a contract having value and price dependent on commodity subject.
7. Sharia Derivative Contract shall be derivative contract according to sharia principles.
8. Option shall be a contract granting right to a buyer to purchase or sell future contract or specified commodity at a certain price level, quantity and period already stipulated first by paying a specified premium.
9. Future Clearing and Underwriting Institute hereinafter called Future Clearing Institute shall be a business entity organizing and providing system and/or facility for the execution of clearing and underwriting of the settlement of future exchange transaction.
10. Alternative Trade System shall be a trade system related to the sales and purchase of derivative contract other than future contract and sharia derivative contract, which is executed outside future exchange bilaterally by drawing margin registered to future clearing institute.
11. Organizer of Alternative Trade System shall be a future trader constituting a member of future clearing that sells or buys derivative contract other than future contract and sharia derivative contract, for and on behalf of the member in alternative trade system.
12. Participant of Alternative Trade System shall be future broker constituting a member of future clearing that sells or buys derivative contract other than future contract and sharia derivative contract on the basis of mandate of customer in alternative trade system.
13. Party shall be individual, cooperative, other business entity, joint business entity, association or group of organized individuals and/or companies.
14. Member of Future Exchange shall be a party having right to use system and/or facility of future exchange and a right to execute transaction of future contract, sharia derivative contract and/or other derivative contract in accordance with future exchange regulation and mechanism.
15. Member of Future Clearing and Underwriting Institute hereinafter called Member of Future Clearing shall be a member of future clearing that secures a right to use system and/or facility of future clearing institute and secures a right from future clearing institute to execute clearing and secure guaranty in the framework of the settlement of transaction of future contract, sharia derivative contract and/or other derivative contract.
16. Broker of Future Exchange hereinafter called Future Broker shall be a business entity selling and

buying commodity on the basis of future contract, sharia derivative contract and/or other derivative contract on the basis of mandate of customer by drawing a certain amount of money and/or specified securities as margin to underwrite the transaction.

17. Advisor of Future Exchange hereinafter called Future Advisor shall be a party granting advice to other party with regards to the sales and purchase of commodities on the basis of future contract, sharia derivative contract and/or other derivative contract by receiving compensation.

18. Center of Future Exchange Funds hereinafter called Center of Future Funds shall be a mean used to collect funds collectively from communities to be invested in future exchange and/or commodities becoming subject of future contract and/or other instrument regulated by regulation of the Head of Bappebti.

19. Management of Center of Future Exchange Funds hereinafter called Management of Future Funds Center shall be a party undertaking business related to the collection and management of funds resulting from participants of the center of future funds to be invested in future contract.

20. Trader of Future Contract, Sharia Derivative Contract and/or Other Derivative Contract hereinafter called Future Trader shall be a member of future exchange only entitled to executing transaction of future contract, sharia derivative contract and/or other derivative contract at future exchange

for the said trader or business group of the trader.

21. Customer shall be a party executing transaction of future contract, sharia derivative contract and/or other derivative contract through account managed by future broker.

22. Compensatory Funds shall be funds used to pay compensation to customer not member of future exchange because of default and/or mistake committed by member of future exchange in its position as future broker.

23. Margin shall be a specified amount of money or securities yet to be placed by customer in future broker, future broker in member of future clearing or member of future clearing in future clearing institute to underwrite the execution of transaction of future contract, sharia derivative contract and/or other derivative contract.

24. Minister shall be the minister in charge of trading affairs.

## CHAPTER II

### FUTURE EXCHANGE

#### Part One

#### Business License

#### Article 2

- (1) Future Exchange shall be established by at least 11 (eleven) business entities in the form of limited liability company, which are not affiliated one each other.
- (2) The business entities as referred to in paragraph (1), shall be mostly undertaking business activity

in the field of commodity and/or finance, which is feasible for trade for 3 (three) years at the minimum.

- (3) The future exchange as referred to in paragraph (1) may only undertake activity after securing business license from the Head of Bappebti.

Article 3

- (1) The paid-up capital of future exchange shall be minimally Rp 100,000,000,000 (one hundred billion rupiah).
- (2) The amount of the paid-up capital as referred to in paragraph (1) may be changed in accordance with developments of business activity of future exchange and stipulated in regulation of the Head of Bappebti.

Article 4

- (1) In order to secure the business license as referred to in Article 2 paragraph (3), Future Exchange shall submit application to the Head of Bappebti, accompanied by documents in the form of:
- a. copy of deed of establishment of limited liability company already legalized by the minister in charge of legal affairs;
  - b. list of founders of future exchange;
  - c. corporate profile of founders of future exchange;
  - d. taxpayer code number (NPWP) of limited liability company;
  - e. economic consideration underlying the es-

tablishment of future exchange, including description of the condition of the would-be established market;

- f. business plan for 3 (three) years;
  - g. financial projection for 3 (three) years;
  - h. initial balance of limited liability company, already audited by public accountant;
  - i. list of candidates for commissioners and directors;
  - j. draft regulation and working mechanism of future exchange;
  - k. future-exchange joint cooperation agreement with future clearing institute, which is to be used;
  - l. draft future contract, sharia derivative contract, other derivative contract and/or physical trade of commodities;
  - m. written statement of the readiness of hardware and software of future exchange; and
  - n. copy of deed of the establishment of future clearing institute to be used if the future clearing institute constitutes a part of future exchange.
- (2) The application as referred to in paragraph (1) shall be submitted by using a form with the model and content stipulated by the Head of Bappebti.

Article 5

- In granting business license of future exchange, the Head of Bappebti shall:
- a. examine the completeness of the required

documents as referred to in Article 4 paragraph (1);

- b. evaluate the plan of activity for 3 (three) years;
- c. evaluate and approve draft regulation and working mechanism;
- d. execute fit and proper test to prospective commissioners and directors; and
- e. examine physical facility and infrastructure, secure and efficient exchange system and transaction.

#### Article 6

- (1) The Head of Bappebti shall be obliged to approve or reject the application submitted by every party to secure business license as future exchange in no later than 32 (thirty two) working days as from the receipt of application completely.
- (2) Business license of future exchange shall be valid as long as the future exchange remains activity to undertake activity.

#### Article 7

Further provision on procedure for the granting of business license of future exchange shall be regulated by a regulation of the Head of Bappebti.

#### Part Two

#### Corporate Organ

#### Article 8

- (1) Share of future exchange may only be owned by:
  - a. founder;

- b. member of future exchange;
- c. Indonesian legal entity; and/or
- d. individual.

- (2) The share of the future exchange as referred to in paragraph (1) shall be in the form of preferred share having the same nominal value and voting right.
- (3) In the case of the Indonesian legal entity as referred to in paragraph (1) letter c containing foreign capital, each Indonesian legal entity shall be only permitted to have share of future exchange maximally 10% (ten percent).
- (4) The total share of the Indonesian legal entities containing foreign capital as referred to in paragraph (3) shall be maximally 40% (fourty percent) of the whole share of the future exchange.

#### Article 9

- (1) The total members of board of commissioners and board of director of future exchange shall be maximally 7 (seven) persons.
- (2) At least one of the member of the board of commissioner as referred to in paragraph (1) shall represent communities.
- (3) Members of the board of directors shall be prohibited from assuming double position as commissioner, director or employee in other company operating in future exchange.
- (4) Candidates for the members of board of commissioners and director of future exchange shall be submitted to the Head of Bappebti to secure

approval.

- (5) The Head of Bappebti shall be obliged to grant approval to the candidates for members of the board of commissioners and directors as referred to in paragraph (4) if they have fulfilled the following requirements:
- a. capable of taking legal action;
  - b. never declared bankrupt or serving as director or commissioner declared guilty to cause a company to be declared bankrupt in the last 5 (five) years;
  - c. never sentenced because of economic or financial crime;
  - d. never sentenced with the threat of penalty exceeding 5 (five) years;
  - e. having good conduct and morality; and
  - f. having knowledge in future exchange.
- (6) Members of the board of commissioners and directors shall be appointed for a tenure of 5 (five) years and may be elected again for another term.
- (7) In the case of any change in commissioners and directors, candidates for members of the board of commissioners and director of future exchange shall be submitted to the Head of Bappebti to secure approval.
- (8) Further provision on requirement and procedure for the nomination of members of the board of commissioners and directors of future exchange shall be regulated by a regulation of the Head of Bappebti.

### Part Three

#### Regulation and Working Mechanism of Future Contract, Sharia Derivative Contract and/or Other Derivative Contract

##### Article 10

- (1) Regulation and working mechanism of future contract, sharia derivative contract and/or other derivative contract as well as amendment thereto shall secure approval from the head of Bappebti.
- (2) In the case of the regulation and working mechanism of future contract, sharia derivative contract and/or other derivative contract being rejected, the Head of Bappebti shall disclose reason for the rejection.

##### Article 11

The approval or rejection of application for the amendment to regulation and working mechanism of future contract, sharia derivative contract and/or other derivative contract as referred to in Article 10 shall be granted in no later than 28 (twenty eight) working days as from the date of receipt of application completely and truthfully by the Head of Bappebti.

### Part Four

#### Annual Work Plan and Budget

##### Article 12

- (1) Annual work plan and budget of future exchange shall secure approval from the Head of Bappebti.
- (2) In the case of the Head of Bappebti not granting response in 10 (ten) working days as from

the receipt of the annual work plan and budget as referred to in paragraph (1), Bappebti shall be deemed approving the submitted work plan and budget.

Part Five

Suspension of Activity

Article 13

- (1) In the case of condition threatening activity of future exchange or future clearing institute, future exchange transaction at future exchange may be suspended for a specified future contract, position of future contract or the whole future contracts traded at future exchange.
- (2) The condition threatening activity of future exchange or future clearing institute as referred to in paragraph (1) may be in the form of:
  - a. failure of physical facility and infrastructure affecting operational activity of future exchange;
  - b. economic or financial crisis in Indonesia or other countries, which affects transaction of future exchange at future exchange;
  - c. natural disaster, labor strike, riot, fire and war, or
  - d. violation of future exchange legislation in transaction of future exchange contract at future exchange, which makes market mechanism unable to run properly.
- (3) The suspension as referred to in paragraph (1) may be applied partly or wholly to open position

of future exchange which is traded at future exchange.

Article 14

- (1) The suspension as referred to in Article 13 shall be done by future exchange in no later than one day as from the occurrence of the threatening condition.
- (2) The suspension as referred to in paragraph (1) shall be reported to the Head of Bappebti, accompanied by reason for the suspension and measures which are taken as well as possibility whether the issue may be settled or not.
- (3) As a result of the suspension as referred to in paragraph (1), future exchange shall stipulate the settlement price for open open position of future contract at future exchange.

Article 15

- (1) In the case of future exchange being unable to settle the issue causing the suspension as referred to in Article 14, the Head of Bappebti shall issue a decision on the advanced suspension of transaction of future contract.
- (2) The decision of the Head of Bappebti as referred to in paragraph (1) shall be announced in at least 2 (two) national-scale printed media.

Article 16

In the event that the issue causing the suspension has been settled, transaction of future exchange

at future exchange shall be opened again and announced in at least 2 (two) national-scale printed media.

Article 17

- (1) During the suspension of transaction of future exchange as referred to in Article 15 paragraph (1), the future exchange shall be given opportunity to take necessary settlement or repairing measures.
- (2) In the case of the future exchange being unable to take the settlement or repairing measures as referred to in paragraph (1), the Head of Bappebti shall order the future exchange to execute certain action which is stipulated.

Article 18

- (1) In the case of Future Exchange being not successful to take the settlement or repairing measures as referred to in Article 17 paragraph (2) in order to protect interest of customers and members of the future exchange, the Head of Bappebti may suspend partly or wholly the transaction of future exchange at future exchange.
- (2) In the case of the future exchange transaction in future exchange being suspended partly or wholly as referred to in paragraph (1), Future Clearing Institute shall be obliged to settle finance of members of future clearing for the open position.
- (3) The financial settlement as referred to in paragraph (2) shall be done by using the settlement price at the end of the trading day of future ex-

change transaction having activity suspended at future exchange.

Article 19

Consequences arising from the suspension of the activity as referred to in Article 13 and Article 18 shall be borne and become responsibility of future exchange.

Article 20

- (1) Activity of future exchange may be terminated permanently.
- (2) The termination of activity of future exchange as referred to in paragraph (1) shall be done by the Head of Bappebti by revoking business license of the said future exchange.
- (3) The Head of Bappebti shall report the revocation of business license of future exchange to the minister and announce promptly in at least 2 (two) national-scale printed media.

Article 21

Provision on the termination of activity as referred to in Article 13 up to Article 20 shall apply mutatis mutandis to transaction of sharia derivative contract and/or other derivative contract.

Article 22

Further provision on the termination of activity of future exchange shall be regulated by a regulation of the Head of Bappebti.



Part Six

Dispersal

Article 23

- (1) Future Exchange having business license revoked shall be obliged to organize promptly shareholder general meeting to decide the dissolution of legal entity of future exchange and establish a liquidation team.
- (2) The decision on the dissolution of legal entity of future exchange and the establishment of liquidation team as referred to in paragraph (1) shall be executed in no later than 2 (two) months as from the date of revocation of business license.

Article 24

In the case of the provision as referred to in Article 23 being not fulfilled, the Head of Bappebti may submit application to the court through prosecutor office to issue stipulation containing:

- a. the dissolution of legal entity of future exchange;
- b. the appointment of liquidation team recommended by the Head of Bappebti; and
- c. order to execute liquidation in accordance with legislation.

Article 25

- (1) The liquidator of future exchange as referred to in Article 23 paragraph (1) and Article 24 letter b shall pay right of future exchange broker after being subtracted by the payment to customers

having bill to the said future exchange broker.

- (2) The customers as referred to in paragraph (1) shall have a right to demand their funds in the said broker through liquidator by submitting legal evidence.

Article 26

Further provision on the dissolution of future exchange shall be regulated by a regulation of the Head of Bappebti.

CHAPTER III

FUTURE CLEARING INSTITUTE

Part One

Business License

Article 27

Activity of future clearing institute may only be executed by business entity in the form of limited liability company already securing business license from the Head of Bappebti.

Article 28

- (1) The paid-up capital of future clearing institute shall be minimally Rp 100,000,000,000 (one hundred billion rupiah).
- (2) The amount of the paid-up capital as referred to in paragraph (1) may be changed in accordance with developments of business activity of future clearing institute and stipulated in a regulation of the Head of Bappebti.

Article 29

- (1) Future clearing institute may :
- a. be separate from future exchange and be independent; or
  - b. constitute a part of future exchange.
- (2) In the case of future clearing institute constuting a part of the future exchange as referred to in paragraph (1) letter b, share of the future clearing institute shall be owned by the future exchange over 50% (fifty percent).

Article 30

- (1) In order to secure the business license as referred to in Article 27, future clearing institute shall submit application to the head of Bappebti, accompanied by documents in the form of:
- a. copy of deed of the establishment of limited liability company already legalized by the minister in charge of legal affairs;
  - b. list of shareholders;
  - c. taxpayer code number (NPWP) of limited liability company;
  - d. action plan for 3 (three) years;
  - e. initial balance of limited liability company, already audited by public accountant;
  - f. list of names of candidates for commissioners and directors;
  - g. draft regulation and working mechanism of Future Clearing Institute;
  - h. joint cooperation agreement between Future

Clearing Institute and Future Exchange; and

- i. written statement of the readiness of hardware and software of Future Clearing Institute.
- (2) The application as referred to in paragraph (1) shall be submitted by using form with the model and content stipulated by the Head of Bappebti.

Article 31

In issuing business license of Future Clearing Institute, Bappebti shall:

- a. examine the completeness of the required documents as referred to in Article 30 paragraph (1);
- b. evaluate action plan for 3 (three) years;
- c. evaluate and approve draft regulation and working mechanism;
- d. execute fit and proper test of candidates for commissioners and directors; and
- e. examine physical facilities and infrastructure, secure and efficient clearing, underwriting and settlement system.

Article 32

- (1) The Head of Bappebti shall approve or reject the application submitted by every party to secure business license as future clearing institute in no later than 32 (thirty two) working days.
- (2) The business license of future clearing institute shall be effective as long as the future clearing institute remains active to execute activity.

Article 33

Further provision on procedure for the issuance of business license of future clearing institute shall be regulated by a regulation of the Head of Bappebti.

Part Two

Corporate Organ

Article 34

- (1) Share of future clearing institute may only be owned by:
  - a. individual person;
  - b. member of future exchange;
  - c. member of future clearing;
  - d. future exchange;
  - e. business entity in the form of Indonesian legal entity; and/or
  - f. state.
- (2) The share of the future clearing institute as referred to in paragraph (1) shall be in the form of preferred share having the same nominal value and voting right.
- (3) In the case of the Indonesian legal entity as referred to in paragraph (1) letter e containing foreign capital, each Indonesian legal entity shall be only permitted to have share of the future clearing institute maximally 10% (ten percent).
- (4) The total share of the Indonesian legal entities containing foreign capital as referred to in paragraph (3) shall be maximally 40% (forty percent) of the total shares of the future clearing institute.

Article 35

- (1) The total members of boards of commissioners and directors of future clearing institute shall be maximally 7 (seven) persons each.
- (2) Members of the board of directors of future clearing institute shall be prohibited from assuming double position as commissioner, director or employee in other company operation in future exchange.
- (3) Candidates for the members of board of commissioners and director of future clearing institute shall be submitted to the Head of Bappebti to secure approval.
- (4) The Head of Bappebti shall be obliged to grant approval to the candidates for members of the board of commissioners and directors as referred to in paragraph (4) if they have fulfilled the following requirements:
  - a. capable of taking legal action;
  - b. never declared bankrupt or serving as director or commissioner declared guilty to cause a company to be declared bankrupt in the last 5 (five) years;
  - c. never sentenced because of economic or financial crime;
  - d. never sentenced with the threat of penalty exceeding 5 (five) years;
  - e. having good conduct and morality; and
  - f. having knowledge in future exchange.
- (5) Members of the board of commissioners and directors shall be appointed for a tenure of 5 (five)

years and may be elected again for another term.

- (6) In the case of any change in commissioners and directors, candidates for members of the board of commissioners and director of future clearing institute shall be submitted to the Head of Bappebti to secure approval.
- (7) Further provision on requirement and procedure for the nomination of members of the board of commissioners and directors of future clearing institute shall be regulated by a regulation of the Head of Bappebti.

**Part Three**

**Regulation and Working Mechanism**

**Article 36**

- (1) Regulation and working mechanism of future clearing institute as well as amendment thereto shall secure approval from the Head of Bappebti.
- (2) In the case of the regulation and working mechanism being rejected, the Head of Bappebti shall disclose reason for the rejection.

**Article 37**

The approval or rejection of the application for the amendment to regulation and working mechanism of the future clearing institute as referred to in Article 36 shall be made in no later than 28 (twenty eight) working days as from the receipt of application completely and truthfully by the Head of Bappebti.

**Part Four**

**Annual Action Plan and Budget**

**Article 38**

- (1) Annual action plan and budget of future clearing institute shall secure approval from the Head of Bappebti.
- (2) In the case of the Head of Bappebti not responding in 10 (ten) working days as from the receipt of the annual action plan and budget of future clearing institute as referred to in paragraph (1), Bappebti shall be deemed approving the submitted annual action plan and budget.

**Part Five**

**Termination of Activity**

**Article 39**

- (1) Activity of future clearing institute may be terminated permanently.
- (2) The termination of activity of future clearing institute as referred to in paragraph (1) shall be done in the event that:
  - a. the whole future exchange using its service has business license revoked;
  - b. future exchange constituting the principal of the future clearing institute has business license revoked;
  - c. the whole future exchange and future clearing institute agree to terminate joint cooperation agreement; or

d. the future clearing institute commits violation or is incapable of executing rights and obligation of future exchange legislation that affects integrity of future exchange and interest of customers.

(3) The termination of activity of future clearing institute as referred to in paragraph (1) shall be executed by the Head of Bappebti by revoking business license of the future clearing institute.

(4) The Head of Bappebti shall report the revocation of business license of the future clearing institute as referred to in paragraph (2) to the minister and promptly announce it in at least 2 (two) national scale printed media.

(5) In the case of the activity of future clearing institute being terminated permanently, the future clearing institute shall be obliged to close the whole open position of members of future clearing.

(6) The closure as referred to in paragraph (4) shall be done by using the settlement price in the last trading session of the whole open position of future contract, sharia derivative contract and/or other derivative contract.

Article 40

Further provision on the termination of activity of future clearing institute shall be regulated by a regulation of the Head of Bappebti.

Part Six

Dissolution

Article 41

(1) Future clearing institute having business license revoked shall promptly organize shareholder general meeting to decide the dissolution of legal entity of the future clearing institute and establish a liquidation team.

(2) The decision on the dissolution of the legal entity of future clearing institute and the establishment of the liquidation team as referred to in paragraph (1) shall be done in no later than 2 (two) months as from the date of revocation of business license.

Article 42

Unless the provision as referred to in Article 41 is fulfilled, the Head of Bappebti may submit application to the court through prosecutor office to issue stipulation containing:

- a. the dissolution of legal entity of future clearing institute;
- b. the appointment of liquidation team recommended by the Head of Bappebti; and
- c. order to execute liquidation in accordance with the provision of legislation.

Article 43

(1) The liquidator of the future clearing institute as referred to in Article 41 paragraph (1) and Article

42 letter b shall be obliged to pay right of future broker of member of future clearing institute after being subtracted by the payment to customers having bill to the future broker.

- (2) The customers as referred to in paragraph (1) shall reserve a right to demand their funds in the future broker, which are placed in future clearing institute through liquidator by submitting legal evidences.

Article 44

Further provision on the dissolution of future clearing institute shall be regulated by regulation of the Head of Bappebti.

CHAPTER IV

FUTURE BROKER AND FUTURE BROKER REPRESENTATIVE, FUTURE ADVISOR AND FUTURE ADVISOR REPRESENTATIVE, FUTURE TRADER, ORGANIZER OF ALTERNATIVE TRADING SYSTEM AND PARTICIPANTS OF ALTERNATIVE TRADING SYSTEM

Part One

Future Broker and Future Broker Representative

Paragraph 1

Future Broker

Article 45

Business activity as future broker may only be executed by member of future exchange in the form of limited liability company already securing business license of future broker from the head of Bappebti.

Article 46

- (1) Future broker shall be obliged to fulfill capital requirements.
- (2) Further provision on capital affairs as referred to in paragraph (1) shall be governed by a regulation of the Head of Bappebti.

Article 47

- (1) Application for business license of future broker shall be submitted to the head of Bappebti, accompanied by the following documents:
  - a. copy of deed of the establishment of limited liability company already legalized by the minister in charge of legal affairs;
  - b. list of names of shareholders and/or controllers of the company;
  - c. taxpayer code number (NPWP) of limited liability company;
  - d. plan of business activity;
  - e. initial balance of limited liability company already audited by public accountant;
  - f. list of names of candidates for commissioners and directors already securing approval from future exchange;
  - g. evidence of the opening of separate account for customer funds;
  - h. evidence of membership in future exchange, future clearing institute and remittance of compensatory funds; and
  - i. list of names of candidate for future broker representative.

- (2) The application as referred to in paragraph (1) shall be submitted by using a form with the model and content stipulated by the Head of Bappebti.
- (3) Business license of future exchange shall be issued after the whole requirements are fulfilled and the head of Bappebti completes the inspection of physical facility.

Article 48

- (1) The Head of Bappebti shall be obliged to approve or reject the application submitted by every party to secure business license as future broker in no later than 32 (thirty two) working days as from the receipt of application completely.
- (2) Business license of future broker shall be valid as long as the future exchange remains active to execute its activity.

Article 49

Further provision on the licensing of future broker shall be regulated by a regulation of the Head of Bappebti.

Article 50

Future broker shall be obliged to have at least 3 (three) future broker representatives and any of the representatives serves as director.

Article 51

- (1) Future broker shall be obliged to have one compliance director not serving as future broker representative.

representative.

- (2) The compliance director as referred to in paragraph (1) shall pass profession test of future broker representative organized by Bappebti.
- (3) Provision on requirement, task, authority and obligation of the compliance director as referred to in paragraph (1) shall be regulated by a regulation of the head of Bappebti.

Article 52

- (1) Future broker shall be prohibited from being controlled directly or indirectly by individual person:
  - a. incapable of taking legal action;
  - b. once declared bankrupt or serving as director or commissioner declared guilty to cause a company to be declared bankrupt in the last 5 (five) years;
  - c. once sentenced for committing economic or financial crime;
  - d. once sentenced with the threat of penalty exceeding 5 (five) year;
  - e. not having good conduct and morality; and/or
  - f. not having knowledge in future trade.
- (2) Future broker shall be obliged to report the party controlling the company directly or indirectly to the Head of Bappebti.

Article 53

- (1) Future broker may open branch office after securing approval from the head of Bappebti.

(2) The approval of the opening of branch office as referred to in paragraph (1) shall be granted after fulfilling the following requirements:

- a. the addition to paid-up capital as governed in regulation of the Head of Bappebti;
- b. having business plan written down into action plan of company;
- c. having future broker representatives to be placed in branch office, minimally 3 (three) persons with any of them serving head of office; and
- d. having sufficient facility as well as infrastructure for branch office.

(3) The application of the approval of the opening of branch office as referred to in paragraph (1) shall be submitted by future broker to the head of Bappebti by completing a form with the format stipulated by regulation of the head of Bappebti.

Article 54

- (1) Future broker may become member of more than one future exchange.
- (2) In the case of future broker having membership in more than one future exchange as referred to in paragraph (1), the future broker shall report the membership to the head of Bappebti.

Paragraph 2

Future Broker Representative

Article 55

Activity as future broker representative may

only be executed after securing license from the Head of Bappebti.

Article 56

License as future broker representative may only be granted to individual person having expertise in the field of trading brokerage of future contract, sharia derivative contract and/or other derivative contract.

Article 57

- (1) Application for license of future broker representative shall be submitted to the Head of Bappebti, accompanied by the following documents:
  - a. diploma of formal education;
  - b. evidence of the success to pass profession test executed by the head of Bappebti; and
  - c. recommendation from the said future broker.
- (2) The application as referred to in paragraph (1) shall be submitted by using a form with the model and content stipulated by the head of Bappebti.

Article 58

- (1) The head of Bappebti shall be obliged to approve or reject the application submitted by every party to secure business license as future broker representative in no later than 32 (thirty two) working days as from the receipt of application completely.
- (2) License of future broker representative shall be valid as long as the future broker representative



remains activity to execute its activity.

Article 59

Further provision on the licensing of future broker representative shall be governed by a regulation of the Head of Bappebti.

Part Two

Future Advisor and Future Advisor Representative

Paragraph 1

Future Advisor

Article 60

- (1) Activity as future advisor may only be executed by party already securing business license as future advisor from the head of Bappebti.
- (2) The business license as referred to in paragraph (1) may not be granted to the following parties:
  - a. bank, bank employee, news reporter, lawyer, accountant, teacher, future broker, manager of future funds center, or future exchange not executing the activity or profession permanently;
  - b. parties granting advice to collective investment group in one business group that they control, other than future funds center; or
  - c. other parties excluded on the basis of future exchange legislation.
- (3) The future advisor as referred to in paragraph (1) shall undertake activity to provide advice directly through special publication or report through electronic media.

(4) The advice as referred to in paragraph (3) shall contain analysis of price or trading activity of future contract, sharia derivative contract and/or other derivative contract.

(5) Parties already securing business license as future broker may execute activity as future advisor.

Article 61

- (1) Future advisor shall reserve a right to secure payment for the advice as referred to in Article 60 paragraph (4) from customers.
- (2) In the case of the advice as referred to in Article 60 paragraph (4) being granted by future advisor having business license as future broker, the future advisor shall not reserve a right to secure payment.

Article 62

- (1) Application for securing business license as future advisor shall be submitted to the Head of Bappebti, accompanied by the following documents:
  - a. evidence of business legality, deed of the establishment of business entity, or deed of the establishment of limited liability company;
  - b. taxpayer code number (NPWP);
  - c. fulfilling the stipulated financial requirement; and
  - d. list of name of specialist having license as future advisor representative from the Head of Bappebti.

- (2) The application as referred to in paragraph (1) shall be submitted by using a form with the model and content stipulated by a regulation of the Head of Bappebti.
- (3) Business license of future advisor shall be issued after the whole requirements are fulfilled and the head of Bappebti completes the inspection of physical facility.

Article 63

Future advisor shall be obliged to have at least 3 (three) future advisor representatives.

Article 64

- (1) Future advisor shall be prohibited from being controlled directly or indirectly by individual person:
  - a. incapable of taking legal action;
  - b. once declared bankrupt or serving as director or commissioner declared guilty to cause a company to be declared bankrupt in the last 5 (five) years;
  - c. once sentenced for committing economic or financial crime;
  - d. once sentenced with the threat of penalty exceeding 5 (five) year;
  - e. not having good conduct and morality; and/or
  - f. not having knowledge in future exchange
- 2) Future advisor shall be obliged to report party controlling the company directly or indirectly, including the amendment thereto to the head of

Bappebti.

Article 65

- (1) Future advisor may open branch office.
- (2) The opening of branch office as referred to in paragraph (1) shall be obliged to fulfill the following requirements:
  - a. having business plan written down into action plan of the company;
  - b. having future advisor representative; and
  - c. having sufficient facility and infrastructure.
- (3) The opening of branch office as referred to in paragraph (1) shall be reported to the head of Bappebti by using a form with the model and content stipulated by a regulation of the Head of Bappebti.

Article 66

- (1) The Head of Bappebti shall be obliged to approve or reject the application submitted by every party to secure business license as future advisor in no later than 32 (thirty two) working days as from the date of receipt of application completely.
- (2) Business license of future advisor shall be valid as long as the future advisor remains active to execute activity.

Article 67

Further provision on the licensing of future advisor shall be regulated by a regulation of the Head of Bappebti.

Paragraph 2

Future Advisor Representative

Article 68

Activity as future advisor representative may only be executed after securing license form the Head of Bappebti.

Article 69

License as future advisor representative may only be granted to individual person having expertise in the field of future exchange analysis.

Article 70

- (1) Application for license as future advisor representative shall be submitted to the Head of Bappebti, accompanied by the following documents:
  - a. diploma of formal education; and
  - b. evidence of the success to pass profession test organized by Bappebti.
- (2) The application as referred to in paragraph (1) shall be submitted by using a form with the model and content stipulated by a regulation of the Head of Bappebti.

Article 71

- (1) The head of Bappebti shall be obliged to approve or reject the application submitted by every party to secure business license as future advisor in no later than 32 (thirty two) working days as from the receipt of application completely.

- (2) Business license of future advisor shall be valid as long as the future advisor remains activity to execute activity.

Article 72

Further provision on the licensing of future advisor representative shall be governed in a regulation of the Head of Bappebti.

Part Three

Future Trader

Article 73

- (1) Business activity as future trader may only be executed by members of future exchange, either individual person or business entity, domiciled in the country or abroad that have secured certificate of registration as future trader from the Head of Bappebti.
- (2) The certificate of registration as referred to in paragraph (1) shall be granted by the Head of Bappebti to parties having financial integrity, good business reputation and profession capability.

Article 74

- (1) Future trader shall be obliged to fulfill capital requirements.
- (2) Provision on the capital affairs as referred to in paragraph (1) shall be regulated by a regulation of the Head of Bappebti.

Article 75

- (1) Application for certificate of registration as future trader shall be submitted to the Head of Bappebti , accompanied by the required documents.
- (2) In the case of the application being submitted by individual person, the application shall be submitted to the Head of Bappebti, accompanied by the required documents as referred to in paragraph (1) minimally as follows:
- a. membership card of future exchange;
  - b. taxpayer code number (NPWP); and
  - c. certificate of expertise.
- (3) In the case of the application being submitted by business entity, the application shall be submitted to the Head of Bappebti, accompanied by the required documents as referred to in paragraph (1) minimally as follows:
- a. membership card of future exchange;
  - b. taxpayer code number (NPWP); and
  - c. name of specialist proven by certificate of training in future trade field.
- (4) The application as referred to in paragraph (1) shall be submitted by using a form with the model and content stipulated by the Head of Bappebti.

Article 76

- (1) Future trader in the form of business entity shall be prohibited from being controlled directly or indirectly by individual person:

- a. incapable of taking legal action;
- b. once declared bankrupt or serving as director or commissioner declared guilty to cause a company to be declared bankrupt in the las 5 (five) years;
- c. once sentenced for committing economic or financial crime;
- d. once sentenced with the threat of penalty exceeding 5 (five) year;
- e. not having good conduct and morality; and/or
- f. not having knowledge in future exchange

- (2) Future trader shall be obliged to report party controlling the company directly or indirectly to the Head of Bappebti.

Article 77

- (1) The Head of Bappebti shall be obliged to approve or reject application submitted by every party to secure business license as future advisor in no later than 32 (thirty two) working days as from the receipt of application completely.
- (2) Business license of future trader shall be valid as long as the future trader remains active to execute activity.

Article 78

Further provision on the issuance of certificate of registration to future trader shall be regulated by a regulation of the Head of Bappebti.

Part Four

Organizer of Alternative Trading System

Article 79

Activity as organizer of alternative trading system may only be executed by future trader already securing approval from the Head of Bappebti.

Article 80

- (1) Organizer of alternative trading system shall be obliged to fulfill capital requirements.
- (2) Provision on the capital affairs as referred to in paragraph (1) shall be governed by a regulation of the Head of Bappebti.

Article 81

- (1) Application for approval as organizer of alternative trading system shall be submitted to the Head of Bappebti, accompanied by the following documents:
  - a. taxpayer code number (NPWP);
  - b. certificate of registration of future trader;
  - c. evidence of membership in future exchange;
  - d. evidence of membership in future clearing institute;
  - e. financial statement or balance of capital already audited by public accountant;
  - f. written statement of the readiness of facility and system supporting the trade regularly, rationally, efficiently, effectively and transparently; and
  - g. joint cooperation agreement with future bro-

ker constituting member of future clearing institute that participates in alternative trading system.

- (2) The application as referred to in paragraph (1) shall be submitted by using a form with the model and content stipulated by the head of Bappebti.

Article 82

- (1) The Head of Bappebti shall be obliged to approve or reject application submitted by every party to secure approval as organizer of alternative trading system in no later than 32 (thirty two) working days as from the receipt of application completely.
- (2) The approval of organizer of alternative trading system shall be valid as long as the organizer of alternative trading system remains active to execute activity.

Article 83

Further provision on the granting of approval to organizer of alternative trading system shall be regulated by a regulation of the Head of Bappebti.

Part Five

Participant of Alternative Trading System

Article 84

Activity as participant of alternative trading system may only be executed by future broker constituting member of future clearing and already securing approval from the head of Bappebti.

Article 85

- (1) Participant of alternative trading system shall be obliged to abide by capital requirements.
- (2) Provision on the capital affairs as referred to in paragraph (1) shall be governed by a regulation of the Head of Bappebti.

Article 86

- (1) Application for approval as organizer of alternative trading system shall be submitted to the head of Bappebti, accompanied by at least the following documents:
  - a. taxpayer code number (NPWP);
  - b. business license of future broker;
  - c. evidence of membership in future exchange;
  - d. evidence of membership in future clearing institute;
  - e. financial statement of capital balance already audited by public accountant;
  - f. written statement of the readiness of facility and system supporting the trade regularly, rationally, efficiently, effectively and transparently;
  - g. joint cooperation agreement with future trader constituting member of future clearing organizing alternative trading system.
- (2) The application as referred to in paragraph (1) shall be submitted by using a form with the model and content stipulated by the Head of Bappebti.

Article 87

- (1) The Head of Bappebti shall be obliged to approve or reject application submitted by every party to secure approval as participant of alternative trading system in no later than 32 (thirty two) working days as from the receipt of application completely.
- (2) The approval as participant of alternative trading system shall be valid as long as the participant of the alternative trading system remains active to execute activity.

Article 88

Further provision on the approval of participant of alternative trading system shall be regulated by a regulation of the Head of Bappebti.

CHAPTER V

FUTURE FUNDS CENTER, MANAGEMENT OF FUTURE FUNDS CENTER AND REPRESENTATIVE OF FUTURE FUNDS CENTER MANAGEMENT

Part One

Future Funds Center

Article 89

- (1) Future Funds Center shall be established on the basis of contract between future funds center management and depositor bank of future funds center.
- (2) The contract of the establishment of future funds center as referred to in paragraph (1) shall secure approval from the Head of Bappebti.

(3) The contract of the establishment of future funds center as referred to in paragraph (1) shall bind the whole participants of future funds center.

Article 90

The contract of the establishment of future funds center as referred to in Article 89 shall contain the following matters:

- a. name and address of future funds center management;
- b. name and address of depositor bank of future funds center;
- c. right and obligation of future funds center management, including the obligation to participate a specified amount of funds in future funds center;
- d. right and obligation of depositor bank of future funds center;
- e. right and obligation of participant of future funds center;
- f. business plan, including objective and direction of investment policy;
- g. amount of the collected compensation;
- h. burdened costs;
- i. statement of goodwill and responsibility of future funds center management and depositor bank of future funds center that the execution of task is solely in the interest of participants of future funds center;
- j. a condition permitting future funds center management to delay or reject the repurchase of participation certificate;

- k. settlement of dispute between parties over activity of future funds center; and
- l. condition requiring future funds center management to discontinue activity of future funds center.

Article 91

(1) Application for the approval of contract of the establishment of future funds center as referred to in Article 89 paragraph (2) shall be submitted by management of the future funds center to the Head of Bappebti, accompanied by the following documents and/or information:

- a. business license of future funds center management;
  - b. approval of depositor bank of future funds center issued by the Head of Bappebti;
  - c. business plan and financial projection for 3 (three) years;
  - d. license of representative of future funds center management; and
  - e. prospectus used in the offering of investment in future funds center.
- (2) The application as referred to in paragraph (1) shall be submitted by using a form with the model and content stipulated by a regulation of the Head of Bappebti.

Article 92

Further provision on procedure and requirement for the granting of approval of contract of the

establishment of future funds center shall be regulated by a regulation of the Head of Bappebti.

Part Two

Management of Future Funds Center

Article 93

Activity as management of future funds center may only be executed by a limited liability already securing business license from the Head of Bappebti.

Article 94

- (1) Management of Future Funds Center shall be obliged to fulfill capital requirements.
- (2) Provision on the capital affairs as referred to in paragraph (1) shall be governed by a regulation of the Head of Bappebti.

Article 95

- (1) Application for business license as management of future funds center shall be submitted to the Head of Bappebti, accompanied by the following documents:
  - a. copy of deed of the establishment of limited liability company already legalized by the minister in charge of legal affairs;
  - b. list of name of shareholder;
  - c. list of name of corporate controller;
  - d. taxpayer code number (NPWP) of limited liability company;
  - e. list of name of candidate for commissioners and directors; and

- f. names of specialists that are to act as representatives of future funds center management after securing license from the Head of Bappebti.

- (2) The application as referred to in paragraph (1) shall be used by using a form with the model and content stipulated by a regulation of the Head of Bappebti.

Article 96

Management of future funds center shall be obliged to have at least 5 (five) representatives of future funds center management with any of them serving as director.

Article 97

- (1) Management of future funds center shall be prohibited from being controlled directly or indirectly by individual person:
  - a. incapable of taking legal action;
  - b. once declared bankrupt or serving as director or commissioner declared guilty to cause a company to be declared bankrupt in the last 5 (five) years;
  - c. once sentenced for committing economic or financial crime;
  - d. once sentenced with the threat of penalty exceeding 5 (five) year;
  - e. proven guilty for committing future exchange legislation;
  - f. not having good conduct and morality; and/or



g. not having knowledge in future exchange

- (2) Management of future funds center shall be obliged to report party controlling the company directly or indirectly, including the amendment thereto, to the Head of Bappebti.

#### Article 98

- (1) Management of Future Funds Center may invest funds accumulated collectively from communities in future contract and/or commodities becoming subject of future contract and/or other instrument regulated in regulation of the Head of Bappebti.
- (2) Further provision on the investment as referred to in paragraph (1) shall be governed by a regulation of the Head of Bappebti.

#### Article 99

- (1) The Head of Bappebti shall approve or reject the application submitted by every party to secure business license as management of future funds center in no later than 32 (thirty two) working days as from the receipt of application completely.
- (2) Business license of management of future funds center shall be valid as long as the management of future funds center remains active to execute activity.

#### Article 100

Further provision on requirement and procedure for the issuance of business license of manage-

ment of future funds center shall be governed by a regulation of the Head of Bappebti.

#### Part Two

#### Representative of Future Funds Center Management

#### Article 101

License as representative of future funds center management may only be issued to individual person having expertise in the management of future funds center.

#### Article 102

- (1) Application for license as representative of future funds center management shall be submitted to the Head of Bappebti, accompanied by the following documents:
- a. diploma of formal education;
  - b. evidence of the success to pass profession test as representative of future funds center management organized by Bappebti; and
  - c. recommendation from management of the said future funds center.
- (2) The application as referred to in paragraph (1) shall be submitted by using a form with the model and content stipulated by a regulation of the Head of Bappebti.

#### Article 103

- (1) The Head of Bappebti shall be obliged to approve or reject application submitted by every party to secure license as representative of future funds

center management in no later than 32 (thirty two) working days as from the receipt of application completely.

- (2) License of representative of future funds center management shall be valid as long as the representative of future funds management center remains active to execute activity.

Article 104

Further provision on the licensing of representative of future funds center management shall be governed by a regulation of the Head of Bappebti.

CHAPTER VI

COMPENSATORY FUNDS

Part One

Accumulation of Compensatory Funds

Article 105

- (1) Compensatory funds shall be accumulated by future exchange.
- (2) The compensatory funds as referred to in paragraph (1) shall come from:
- a. cash contribution of every member of future exchange having position as future broker; and
  - b. other legitimate sources approved by the Head of Bappebti.
- (3) The minimum amount of compensatory funds that have to be accumulated and contribution of future broker as referred to in paragraph (2) letter a shall be stipulated by future exchange with

approval of the Head of Bappebti.

- (4) The other legitimate sources as referred to in paragraph (2) letter b may be accumulated from:
- a. part of service fee of information service related to the trade of future contract, sharia derivative contract and/or other derivative contract;
  - b. part of service fee related to transaction of future contract, sharia derivative contract and/or other derivative contract; or
  - c. part of profit of future exchange set aside for compensatory funds and/or proceeds obtained from the compensatory funds.
- (5) The amount of cost imposed on the activity as referred to in paragraph (4) letter a and letter b shall secure prior approval from Bappebti.
- (6) The compensatory funds shall be remitted to future exchange upon the submission of application for member of future exchange having position as future broker.

Part Two

Depositing of Compensatory Funds

Article 106

- (1) Compensatory funds shall be saved in account specifically prepared for the depositing of compensatory funds at bank approved by the Head of Bappebti.
- (2) The bookkeeping of compensatory funds shall be separate from the bookkeeping of future exchange.

- (3) Financial statement of the compensatory funds shall be examined and audited by public accountant.
- (4) Future exchange shall be obliged to submit financial statement of the compensatory funds as referred to in paragraph (3) to the Head of Bappebti in no later than 3 (three) months as from the expiration of the accounting year.

### Part Three

#### The Use of Compensatory Funds

##### Article 107

- (1) Compensatory funds shall be used for the payment of loss compensation to customers due to default of future broker.
- (2) The compensation as referred to in paragraph (1) shall be paid as much as the value of the loss.

##### Article 108

- (1) Customers may demand compensation for loss from future exchange for the default of future broker.
- (2) The demand for compensation from future exchange as referred to in paragraph (1) may be fulfilled if the following requirements are fulfilled:
  - a. the said customers have taken collection measure maximally to future broker committing the default;
  - b. submitting strong evidence that the sustained loss is attributable to default of future broker receiving mandate from the customers; and

- c. the amount of the demanded money is the amount of compensation for the actual loss.

##### Article 109

- (1) Future exchange shall be obliged to preserve the minimum amount of compensatory funds that have to be provided.
- (2) The amount of compensatory funds that have to be provided for the payment of compensation shall be stipulated by future exchange on the basis of approval of the Head of Bappebti.

##### Article 110

- (1) Future exchange shall be obliged to establish a special unit to accumulate and use compensatory funds.
- (2) The special unit as referred to in paragraph (1) shall be responsible to future exchange.

##### Article 111

Further provision on procedure for the use of compensatory funds shall be governed by a regulation of the Head of Bappebti.

## CHAPTER VII

### FUNDS DEPOSITING BANK

##### Article 112

- (1) Funds of customers, compensatory funds, guaranty funds and funds of future funds center shall be saved at an account separate from institutional account saving the funds at commercial bank

constituting foreign exchange bank.

- (2) The bank as referred to in paragraph (1) may undertake activity to deposit customer funds, compensatory funds, guaranty funds and/or funds of future funds center after securing approval from the head of Bappebti.

Article 113

In order to secure the approval as referred to in Article 112 paragraph (2), the bank shall be obliged to submit application to the head of Bappebti, accompanied by the following documents:

- a. article of association;
- b. taxpayer code number (NPWP);
- c. business license as commercial bank with the status foreign exchange bank;
- d. financial statement in the last 3 (three) years, already audited by public accountant;
- e. operational guide book of the depositing of funds at separate account, which is to be executed by the bank; and
- f. recommendation from Bank Indonesia.

Article 114

- (1) The Head of Bappebti shall be obliged to approve or reject application submitted by every party to secure approval so that the bank may execute the depositing of customer funds, compensatory funds, guaranty funds and/or funds of future funds center in no later than 32 (thirty two) working days as from the receipt of application com-

pletely.

- (2) The approval of bank permitted to execute the depositing of customer funds, compensatory funds, guarantee funds and/or funds of future funds center shall be valid as long as the bank remains activity to deposit customer funds, compensatory funds, guaranty funds and/or funds of future funds center.

Article 115

Further provision on the approval of bank permitted to execute the depositing of customer funds, compensatory funds, guarantee funds and/or funds of future funds center at separate account shall be governed by a regulation of the Head of Bappebti.

CHAPTER VIII

DISTRIBUTION OF CUSTOMER MANDATE TO OVERSEAS FOREIGN EXCHANGE

Article 116

- (1) The distribution of customer mandate to overseas future exchange may only be executed by future broker.
- (2) The future broker permitted to distribute customer mandate to overseas future exchange as referred to in paragraph (1) shall be obliged to secure approval from the Head of Bappebti.
- (3) In order to secure the approval as referred to in paragraph (1), future broker shall be obliged to:
- a. remit guaranty funds as stipulated by the Head of Bappebti;

- b. have future broker representative mastering regulation and working mechanism of future exchange as well as future contract and/or other derivative contract traded at the future exchange, which is proven by certificate.
- c. enclose business license as future broker from Bappebti;
- d. enclose letter of agreement between applicant and future broker constituting member of the overseas future clearing; and
- e. enclose list of the would-be traded future contract and/or other derivative contract in accordance with the list stipulated by the Head of Bappebti.

Article 117

- (1) The guaranty funds as referred to in Article 116 paragraph (3) letter a shall be used to pay liabilities of future broker to customers which may not be settled or negligent to settle.
- (2) The guaranty funds as referred to in Article 116 paragraph (3) letter a shall be returned to future broker if the future broker discontinues the distribution of customer mandate to overseas future exchange.

Article 118

- (1) The Head of Bappebti shall stipulate list of:
  - a. overseas future exchange; and
  - b. future contract and/or other derivative contracts which may be distributed to overseas

future exchange.

- (2) In stipulating the list as referred to in paragraph (1), Bappebti shall examine overseas future exchange as well as future contract and/or other derivative contract which is traded at the said overseas future exchange.
- (3) In stipulating the list as referred to in paragraph (1), Bappebti shall consider:
  - a. regulation and working mechanism of the oversease future exchange to provide the same protection for resident and non-resident customers;
  - b. requirement and liquidity of future contract and/or other derivative contracts traded at the overseas future exchange; and
  - c. the future contract and/or other derivative contracts as referred to in letter b having benefit to Indonesian economy.

Article 119

The Head of Bappebti shall be obliged to approve or reject application submitted by every party to secure approval for future broker permitted to distribute customer mandate to overseas future exchange in no later than 32 (thirty two) working days as from the receipt of application completely.

Article 120

Further provision on the granting of approval to future broker permitted to distribute customer mandate and guarantee funds as well as stipulation

of the list of future exchange as well as future contract and/or other derivative contracts which may be distributed to overseas future exchange shall be governed by a regulation of the Head of Bappebti.

CHAPTER IX

BOOKKEEPING AND REPORTING

Article 121

Holders of business license to organize future exchange, future clearing institute, future broker, future advisor and management of future funds center, license of future broker representative, future advisor representative and representative of future funds center management, certificate of registration of future trader and approval of future broker to distribute customer mandate to overseas future exchange, organizer of alternative trading system, participant of alternative trading system as well as approval of bank shall be obliged to report condition and development of their business every calendar year to the Head of Bappebti by using a form with the model and content stipulated by the Head of Bappebti.

Article 122

(1) Future exchange, future clearing institute, future broker, future advisor, and management of future funds center shall be obliged to prepare, save and preserve records of:

- a. organization, personnel and written documents related to policy, procedure and working system;

- b. financial condition, asset, financial liabilities and loss/profit calculation;
- c. data about membership, customers, client or participant of future funds center; and
- d. the implementation of business activity everyday, completely and systematically.

- (2) The records as referred to in paragraph (1) in the form of daily transaction data at future exchange and the settlement of transaction by future clearing institute as well as annual balance and loss/profit report shall be published in a specified period.
- (3) The records as referred to in paragraph (1) shall be reported to the Head of Bappebti.
- (4) Further provision on model of the records, publication and reports as referred to in paragraph (1), paragraph (2), and paragraph (3) shall be governed by a regulation of the Head of Bappebti.

Article 123

- (1) Future exchange shall be obliged to prepare, save and preserve records of transactions of future contract, sharia derivative contracts and/or other derivative contracts and option at future exchange.
- (2) The records as referred to in paragraph (1) shall contain at least the following information:
  - a. transaction date and hour;
  - b. quantity of transaction;
  - c. kind of future contract, sharia derivative contract and/or other derivative contract or op-

tion;

- d. price and premium;
- e. month when the delivery matures;
- f. selling or buying transaction of option;
- g. benchmark price; and
- h. name of party executing transaction.

(3) The records as referred to in paragraph (2) shall be reported to the Head of Bappebti before the trading hour starts on the ensuing day.

(4) Further provision on model of the report as referred to in paragraph (3) shall be governed by a regulation of the Head of Bappebti.

Article 124

(1) Future exchange shall be obliged to report every day information about:

- a. trading volume, quantity of future contract, sharia derivative contract and/or other derivative contract transaction which is settled in cash, quantity of open future contract, quantity of open future contract already decided

to close by deliver goods and quantity of option already executed; and

- b. price in the bookkeeping and closing period, the lowest selling price or bid, the highest purchasing price or demand, the highest and lowest transaction price as well as settlement price.

(2) Further provision on model of the publication as referred to in paragraph (1) shall be governed by a regulation of the Head of Bappebti.

Article 125

to be continued

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# THE OPERATION OF FUTURE COMMODITY EXCHANGE

(Government Regulation Number 49 Year 2014,  
dated June 30, 2014)

[Continued from Business News No. 8689 page 18-48]

## Article 125

- (1) Future clearing institute shall be obliged to prepare, preserve and save records of future contract, sharia derivative contract and/or other derivative contract transactions at future exchange and/or alternative trading system.
- (2) The record as referred to in paragraph (1) shall contain at least the following information:
  - a. transaction date;
  - b. transaction time;
  - c. quantity of transaction;
  - d. price or premium,
  - e. month of delivery or maturity date; and
  - f. option transaction.
- (3) The record as referred to in paragraph (2) shall be reported to the Head of Bappebti before the commencement of trading hour on the ensuing day.
- (4) Further provision on model and format of the report as referred to in paragraph (3) shall be governed by a regulation of the Head of Bappebti.

## Article 126

Future clearing institute shall be obliged to prepare, save and preserve records of:

- a. date of receipt and returning of margin in the form of money or securities;
- b. identity of institution where the margin is saved separately; and
- c. the disbursement of margin in the form of securities as referred to in letter a is accompanied by explanation about facts and condition causing the the disbursement to be executed as well as authority to disburse.

## Article 127

- (1) Future broker and trader shall be obliged to prepare, save and preserve:
  - a. the whole financial records and bookkeeping which are made truthfully and in accordance with the generally effective accounting principle as well as available at anytime for auditing; and
  - b. records of transaction, including the whole cards, memos or records related to transactions of future contracts, sharia derivative contracts and/or other derivative contracts, options and commodities on physical market.



(2) The record, financial bookkeeping and transaction records as referred to in paragraph (1) shall be available at anytime for auditing.

(3) The records as referred to in paragraph (1) shall cover:

- a. the whole orders already transacted, not yet transacted or canceled;
- b. transaction card;
- c. signature card;
- d. notebook of transaction;
- e. journal;
- f. cash book;
- g. aborted check;
- h. copy of confirmation;
- i. copy of selling and buying statement;
- j. mandating agreement document;
- k. document of notification about right; and
- l. other records related to transactions of future contract, sharia derivative contract and/or other derivative contracts, option and commodities on physical market.

(4) In the case of option transaction, it shall record information about:

- a. transaction time;
- b. option buying or selling transaction;
- c. maturity date;
- d. quantity of transaction,
- e. kind of option; and
- f. benchmark price, premium, commission and other cost.

Article 128

(1) Future broker receiving mandate shall be obliged to prepare, save and preserve records of names of parties granting mandate, account numbers, and mandate data in mandate card.

(2) The mandate card as referred to in paragraph (1) shall be given time mark of the receipt of mandate by using time recorder.

Article 129

(1) Future exchange shall be obliged to make, save and prepare separate financial records for every customer, covering incoming and outgoing money and the whole transactions of future contract, sharia derivative contract and/or other derivative contract at domestic and/or overseas future exchange, which covers time, price, quantity of transaction and kind of commodity.

(2) Future broker shall be obliged to submit confirmation about financial position of customer, covering various costs spend for transaction and service to customer everyday, in no later than the ensuing working day.

(3) Future broker shall be obliged to confirm the open position of future contract, sharia derivative contract and/or other derivative contract and the real price, net profit or loss, which has not been real, the whole funds of customers and various costs charged to the customer account at least every month.

Article 130

- (1) Future broker shall be obliged to prepare financial report including the adjusted net capital calculation every one month, 3 (three) months and one year in accordance with model of report stipulated by the Head of Bappebti.
- (2) The monthly financial report as referred to in paragraph (1) shall be submitted to the Head of Bappebti in no later than 7 (seven) days after the date of the reporting period ends.
- (3) The quarterly financial report as referred to in paragraph (1) shall be submitted to the Head of Bappebti and Future Exchange in no later than 45 (fourty five) days after the date of the reporting period ends.
- (4) The annual financial report as referred to in paragraph (1) shall be audited by public accountant and submitted to the Head of Bappebti in no later than 90 (ninety) days following the expiration of the reporting year.

Article 131

- (1) Director of Compliance of future exchange shall be obliged to prepare monthly report.
- (2) The montly report as referred to in paragraph (1) shall be submitted to the Head of Bappebti in no later than 7 (seven) days after the dat eof the reporting period ends.
- (3) Further provision on model and procedure for formulating the monthly report as referred to in paragraph (1) shall be regulated by a regulation of the

Head of Bappebti.

Article 132

- (1) Future broker shall be obliged to report to the Head of Bappebti the following conditions:
  - a. future broker company is planning, suspending, re-opening or terminating activity;
  - b. future broker company or any of the commissioners, directors, managers or future broker representatives is in the course of trial in court or sentenced for economic or financial crime or proven guilty to commit economic or financial crime or declared bankrupt by the court or committing violation in the banking sector or in the course of the settlement of debt with the third party;
  - c. executive of future broker company executes activity beyond his/her authority;
  - d. executive or employee of future broker company is deemed unfeasible to execute future exchange because the said person is not honest or fair;
  - e. executive of future broker violates future exchange legislation;
  - f. any change in shareownership of future broker company exceeds 10% (ten percent) of the total paid-up share;
  - g. future broker fails to meet the limit of the adjusted net capital as set forth in future exchange legislation; or
  - h. transaction volume of future broker company

for customer has reached the compulsorily reported quantity of open position of future contract, sharia derivative contract and/or other derivative contract as set forth in future exchange legislation.

- (2) In the case of future broker ascertaining the occurrence of the condition as referred to in paragraph (1):
- a. letter a up to letter e, the future broker shall be obliged to report to the Head of Bappebti in no later than 5 (five) days as from the date when the issue is ascertained;
  - b. letter f, the future broker shall be obliged to report to the Head of Bappebti in no later than 15 (fifteen) as from the change in shareownership; and
  - c. letter g and letter h, the future broker shall be obliged to report in no later than the commencement of trading hour on the ensuing day to the Head of Bappebti.

Article 133

- (1) Organizer of alternative trading system shall be obliged to prepare, maintain and save the whole records of transaction and financial activities truthfully and in accordance with the generally effective accounting principle as well as be available at anytime for auditing.
- (2) The record of the transaction and financial activities as referred to in paragraph (1) shall be reported to the head of Bappebti.

Article 134

- (1) Future advisor shall be obliged to prepare, preserve and save the whole records of activities truthfully as well as available at anytime for auditing.
- (2) The record as referred to in paragraph (1) shall cover:
  - a. data and information about the whole clients;
  - b. the whole official documents and other information;
  - c. evidence of recognition that client has understood content of corporate information document;
  - d. the whole written agreements, including document of notification about risk;
  - e. the whole original texts or copies of reports, letters, circulars, memos, publications, writings, and advertisements distributed to client, which are prepared on the basis of the date mentioned in the text; and
  - f. other books and records related to transaction of future contract, sharia derivative contract and/or other derivative contract and transaction on physical market, which are executed by the principal.
- (3) The record as referred to in paragraph (2) shall be reported to the Head of Bappebti.
- (4) Further provision on model and format of the report as referred to in paragraph (3) shall be governed by a regulation of the Head of Bappebti.

Article 135

- (1) Management of future funds center shall be obliged to prepare, preserve and save the whole records of transaction and financial activities truthfully and in accordance with the generally effective accounting principle as well as available at anytime for auditing.
- (2) The record as referred to in paragraph (1) shall cover:
- a. daily record of transaction executed for future funds center, covering date of transaction, quantity, kind of future contract, sharia derivative contract and/or other derivative contract, price, delivery month, sales or purchase, future broker managing account, future advisor as well as the acquired profit and loss;
  - b. bookkeeping or other record showing the whole marks of receipt and release of money, securities or other assets;
  - c. evidence of recognition that participant of future funds center has understood content of corporate information document;
  - d. cash book and other record showing name and address of every participant of future funds center as well as funds received and shared to every participant of future funds center;
  - e. copy of confirmation of transaction and monthly transaction of future broker and/or other executors for every future funds center;

- f. aborted check, bank report, journal, cash book, payment evidence, data from computer and other date, memo which is made or received in connection with activity of future funds center;
  - g. the whole original text of copy of report, circular, memo, publication, writing and advertisement distributed to participants of future funds center which are formulated on the basis of date mentioned in the text; and
  - h. books and other records related to transactions of future contract, sharia derivative contract, other derivative contract, product of physical transaction at future exchange, alternative trading system and/or warehouse receipt system executed by management of future funds center or the principal thereof.
- (3) Management of future funds center shall be obliged to submit financial report of future funds center, which is made on the basis of the generally effective accounting principle to participants of the future funds center in no later than 30 (thirty) days as from the end of month.

Article 136

- (1) Every future trader controlling or having position in a quantity reaching the reporting limit shall submit report to the Head of Bappebti in no later than before the commencement of trading hour on the ensuing day after notification about the position is ascertained or received.

- (2) The report as referred to in paragraph (1) shall be submitted as long the future trader controls or has position at a level reaching or exceeding the compulsorily reporting limit.
- (3) Further provision on model of the report as referred to in paragraph (2) shall be governed by a regulation of the Head of Bappebti.

Article 137

Further provision on procedure for the bookkeeping and reporting as well as model of the report shall be governed by a regulation of the Head of Bappebti.

CHAPTER X

THE EXECUTION OF FUTURE EXCHANGE

Part One

Guidance for Behavior of Future Broker

Article 138

Future broker shall be obliged to preserve net capital as set forth in regulation of the Head of Bappebti.

Article 139

- (1) Future broker shall be obliged to ascertain and have data or information about customers, covering:
  - a. name, domicile and address;
  - b. occupation and age;
  - c. financial capability;
  - d. knowledge of future exchange;

- e. reason for the opening of account of future exchange; and
- f. other required information.

- (2) The data and information as referred to in paragraph (1) shall be confidential, unless otherwise needed in audit of investigation or securing writing approval from customer.

Article 140

- (1) Future broker shall be prohibited from opening account and/or receiving mandate of customers for future exchange for the following parties:
  - a. incapable of taking legal action;
  - b. already declared bankrupt by the court in the last 5 (five) years;
  - c. already recing the limit of position not permitted to supplement transaction or open account in other future broker;
  - d. official or employee of Bappebti, future exchange or future clearing institute and/or other party stipulated by decision of the Head of Bappebti;
  - e. treasurer of institution serving public interest, unless otherwise secuting power of attorney from the institution;
  - f. having financial condition less than the required by the Head of Bappebti; or
  - g. already violating future exchange legislation on the basis of court or arbitration decision or on the basis of decision of the Head of Bappebti; or

h. negligent to fulfil margin liability in one year.

(2) Future broker shall be obliged to:

- a. reject new mandate from customer already opening future exchange account coming into the category as referred to in paragraph (1), except for the liquidation of open position;
- b. close account of customers coming into the category as referred to in paragraph (1), after the whole liabilities are settled; and
- c. notify to future exchange the closure of the account as referred to in letter b so as to be able to inform promptly to other member of future exchange.

Article 141

- (1) Future broker shall be prohibited from opening or having account in other future broker.
- (2) Employees of future broker and wives or husbands intending to participate in future trade may only open account on behalf of their respective names in the said future broker.

Article 142

- (1) Before opening account of customers for transaction of future contract, sharia derivative contract and/or other derivative contract, future broker shall be obliged to:
  - a. inform and explain corporate information contained in corporate information document, encountering risks in future exchange contained in document of notification about risk

and content of mandating agreement with the content and model stipulated by a regulation of the Head of Bappebti.

- b. provide clear and not misleading information about future exchange procedure;
- c. explain content of future contract, sharia derivative contract and/or other derivative contract to be transacted by customer;
- d. receive the document as referred to in letter a, already signed and numbered by customer as evidence that the customer has understood and approved content of document and procedure for transaction of future contract, sharia derivative contract and/or other derivative contract;
- e. inform promptly the whole customers any change in the effective regulation; and
- f. examine the whole information granted by customers in application for the opening of account.

(2) In the case of customer being recruited on-line, future broker shall be excluded from the obligation as referred to in paragraph (1) letter a, letter c, and letter d.

Article 143

- (1) Future broker shall be prohibited from receiving customer mandate if the foreign broker has not received a sum of margin sufficient to execute certain future contract and/or other derivative contract transaction, except mandate for liquidation.

- (2) If the margin needs to be supplemented, future broker shall be obliged to notify and transfer to customer in order to supplement margin in a specified period according to agreement.
- (3) If the financial condition of the customer as referred to in Article 139 paragraph (1) letter c is not sufficient to fulfill liabilities in future contract, sharia derivative contract and/or other derivative contract, the future broker shall be obliged to reject mandate of the customer.
- (4) Unless the obligation to supplement margin is fulfilled, future broker shall reserve a right to liquidate the other position of future contract, sharia derivative contract and/or other derivative contract of the said customer without prior notification.

Article 144

- (1) Upon receiving mandate of customer to execute transaction at expense of account of the said customers, future broker shall be obliged to record it in electronic recording system.
- (2) If mandate of the customer as referred to in paragraph (1) is submitted through telephone, the order and talks shall be recorded.
- (3) Future broker shall be obliged to confirm transaction already executed to customer if the transaction is submitted indirectly by the customer.
- (4) If the transaction has been executed, future broker shall be notify the customer promptly in no later than 2 (two) working days afterwards.

- (5) Future broker shall be obliged to submit to the Head of Bappebti the formula of calculation of transaction cost or service fee yet to be paid by customer for reference.

Article 145

- (1) Future broker shall be obliged to place customer funds in separate account at bank already approved by the Head of Bappebti and prepare bookkeeping in accordance with the generally effective accounting system, in order to facilitate efforts to ascertain the amount of funds belonging to each customer.
- (2) Unless customer executes transaction in one year, account of the said customer shall be closed and the account number may not be used anymore.
- (3) In the case of the customer account being closed as referred to in paragraph (2), future broker shall reserve a right to take funds still available in the account as the payment of administrative cost, after the customer is summoned.

Article 146

In the implementation of transaction ordered by customer, future broker shall be prohibited from taking the following actions:

- a. hiding or changing information about future exchange;
- b. suggesting to purchase or sell certain kind of future contract, sharia derivative contract and/or other derivative contract or provide evaluation

that the price is to increase or decrease without true calculation with a view that the customer executes transaction;

- c. leak secret related to customer mandate or other business secret which is obtained in the execution of transaction;
- d. misusing customer funds;
- e. granting untrue answer to customer question thus affecting interest of customer;
- f. preparing, saving, reporting and publishing illegally activities or preparing untrue statement in account, book, financial report and other documents required in legislation;
- g. being negligent to submit various reports required by legislation;
- h. granting loan or borrowing money from customer or acting as broker for their customers to lend or raise money from other party;
- i. committing mistake in the recording of transaction;
- j. executing transaction exceeding the maximum limit already stipulated;
- k. executing transaction for customer without order from the said customer;
- l. not distributing customer mandate to future exchange in accordance with order of the customer;
- m. not reporting customer transaction to future exchange and not registering it to future clearing institute;
- n. receiving authority from customer to execute transaction on behalf of the said customer, un-

less otherwise in certain conditions stipulated by the head of Bappebti; or

- o. violating other provisions regulated in legislation.

Article 147

Further provision on guidance for behavior of future broker shall be governed in a regulation of the Head of Bappebti.

Part Two

Guidance for Behavior of Future Advisor

Article 148

- (1) Future advisor shall be prohibited from accumulating or receiving on behalf of its name, funds or securities as margin to execute transaction of future contract, sharia derivative contract and/or other derivative contract from from its client.
- (2) Before making agreement on the provision of service, future advisor shall be obliged to notify and explain the following information to prospective client:
  - a. corporate information in the form of expertise in the field of future trade analysis, activity progra, and business experience as contained in corporate information document;
  - b. the encountering risk in future exchange as contained in document of notification about risk.
- (3) Model and content of the documents as referred to in paragraph (2) shall be stipulated in a regulation of the Head of Bappebti.



- (4) The corporate information document of business of the future advisor as referred to in paragraph (2) letter a shall be true and not misleading as well as only apply for a period of 6 (six) months and subsequently be renewed.
- (5) Future advisor shall receive corporate information document and risk notification document already signed and numbered by client as evidence that the client has understood and approved content of the documents.
- (6) Future advisor shall be prohibited from receiving authority to execute transaction on behalf of its client, except in certain conditions stipulated by the Head of Bappebti.

**Part Three**

**Guidance for Behavior of Management of Future Funds Center**

**Article 149**

- (1) Before accepting someone as participant of future funds center, management of future funds center shall be obliged to notify and explain to prospective participant information about:
  - a. corporate information in the form of expertise in the field of the management of future funds center, finance, activity program, and business experience as contained in corporate information document;
  - b. the encountering risk in future exchange as contained in document of notification about risk.

- (2) Model and content of the document as referred to in paragraph (1) shall be stipulated by a regulation of the Head of Bappebti.
- (3) The corporate information document related to management of future funds center as referred to in paragraph (1) letter a, shall be true and not misleading as well as only apply for a period of 6 (six) months and subsequently be renewed.
- (4) Management of future funds center shall receive corporate information document and risk notification document already signed and numbered by participant of future funds center as evidence that the participant has understood and approved content of the documents.

**Part Four**

**Guidance for Behavior in Alternative Trading System**

**Article 150**

- (1) Alternative trading system may only be executed by organizer of alternative trading system and participant of alternative trading system not affiliated one each other as well as already securing approval from the Head of Bappebti.
- (2) The alternative trading system as referred to in paragraph (1) shall be obliged to use electronic trading system fulfilling the requirements.
- (3) Provision on the requirement for securing approval, mechanism of transaction, termination of activity and requirement for electronic trading system as referred to in paragraph (1) and paragraph

(2) shall be regulated by a regulation of the Head of Bappebti.

Article 151

Organizer of alternative trading system and participant of alternative trading system shall be obliged to:

- a. report every transaction of other derivative contract to future exchange in the framework of market supervision; and
- b. register every transaction of other derivative contract to future clearing institute to have the settlement guaranteed.

Article 152

In the case of organizer of alternative trading system and/or participant of alternative trading system not reporting every transaction of other derivative contract to future exchange and not registering every transaction of other derivative contract to future clearing institute, the organizer of alternative trading system and/or participant of alternative trading system shall be obliged to return customer funds related to the not reported transaction and bear the whole loss arising from the not-registered transaction.

CHAPTER XI

PROMOTION OR ADVERTISING, TRAINING AND MEETING IN THE FIELD OF FUTURE EXCHANGE

Article 153

- (1) Every party securing business license, license, approval or certificate of registration from the Head of Bappebti shall reserve a right to execute promotion or advertisement, training and meeting.
- (2) Before socializing to communities, substances or materials related to the activities as referred to in paragraph (1) shall be submitted to Bappebti in order to secure approval.

Article 154

Every party securing business license, license, approval or certificate of registration from the Head of Bappebti in executing promotion or advertisement, training and meeting shall be prohibited from:

- a. using ways which are not honest or tricky, not suitable to fact or intentionally eliminate fact thus misleading communities;
- b. using forceful method;
- c. making statement that future exchange constitutes a right investment method for the whole people, by means, among others disclosing the possibility to earn profit without disclosing the possibility of loss; and/or
- d. making statement potential to deceive communities by means of, among others, hiding or eliminating materials or facts or only submitting report on profit of future exchange which is obtained in the past, without explaining that it does not reflect the future success, or submitting data about the past performance and financial report,

including return on investment rate not based on accurate calculation in accordance with the effective regulation.

Article 155

Further provision on requirement and procedure for the execution of promotion or advertisement, training and meeting shall be regulated by a regulation of the Head of Bappebti.

CHAPTER XII

ADMINISTRATIVE SANCTION

Article 156

- (1) Every party securing business license, license, approval or certificate of registration from the Head of Bappebti that violates the provision of future exchange legislation shall be subject to administrative sanction.
- (2) The administrative sanction as referred to in paragraph (1) shall be in the form of:
  - a. written warning;
  - b. administrative find, namely the obligation to pay a specified amount of money;
  - c. restriction of business activity;
  - d. freezing of business activity;
  - e. revocation of business license;
  - f. revocation of license;
  - g. nullification of approval; and/or
  - h. nullification of certificate of registration.

Article 157

- (1) The sanction as referred to in Article 156 paragraph (2) letter b, letter c, letter d, letter e, letter f, letter g, or letter h may be imposed with or without the imposition of the written warning as referred to in Article 156 paragraph (2) letter a first.
- (2) The find as referred to in Article 156 paragraph (2) letter b may be imposed separately or simultaneously with the sanction as referred to in Article 156 paragraph (2) letter c, letter d, letter e, letter f, letter g, or letter h.

Article 158

- (1) Every party negligent to prepare, save and preserve the records as referred to in Article 122 paragraph (1), Article 123 paragraph (1), Article 125 paragraph (1), Article 126, Article 127, Article 128 paragraph (1), Article 129 paragraph (1), Article 133 paragraph (1), Article 134 paragraph (1), and Article 135 paragraph (1) shall be subject to administrative sanction in the form of written warning by the Head of Bappebti.
- (2) The written warning as referred to in paragraph (1) shall be granted for a maximum period of one month as from the issuance of the written warning.
- (3) The written warning as referred to in paragraph (1), shall be imposed for 3 (three) times at the maximum.

### Article 159

- (1) If the party as referred to in Article 158 disobeys the last written warning, the Head of Bappebti may appoint consultant to discipline the book-keeping of the company.
- (2) Cost arising from the assignment as referred to in paragraph (1) shall be borne by the said company.

### Article 160

Every party late in submitting the report or confirmation as referred to in Article 122 paragraph (3), Article 123 paragraph (3), Article 125 paragraph (3), Article 129 paragraph (2) and paragraph (3), Article 130 paragraph (2), paragraph (3), and paragraph (4), Article 131 paragraph (2), Article 132, and Article 133 paragraph (2) shall be subject to administrative sanction as follows:

- a. future exchange or future clearing institute is subject to administrative fine amounting to Rp1,000,000 (one million rupiah) for every working day of the lateness in submitting the report with the provision that the total administrative fine is maximally Rp1,000,000,000 (one billion rupiah);
- b. future broker, future advisor, organizer of alternative trading system and management of future funds center is subject to administrative fine maximally Rp 2,000,000 (two million rupiah) for every working day of the lateness in submitting the report with the provision that the total administrative fine is maximally Rp200,000,000 (two

hundred million rupiah).

### Article 161

Future exchange negligent to execute the publication as referred to in Article 124 paragraph (1) shall be subject to administrative fine maximally Rp 200,000,000 (two hundred million rupiah).

### Article 162

Every party not reaching the adjusted net capital requirement or already reaching the limit of the compulsorily reported position as referred to in Article 132 paragraph (1) letter g and letter h and Article 136 paragraph (1) shall be subject to administrative sanction in the form of the restriction of business activity.

### Article 163

Business activities of future exchange, future clearing institute, future broker, future advisor, management of future funds center may be frozen in a specified period stipulated by the head of Bappebti, if the party:

- a. shall not abide by the written warning already granted by Bappebti 3 (three) times;
- b. shall not be able to preserve financial integrity and business reputation which is required;
- c. shall be reported to the court because it is accused of violating future exchange legislation; or
- d. in accordance with result of examination by Bappebti, shall act by violating the stipulated prohibition related to licensing or other provision

regulated in future exchange legislation.

**Article 164**

Business license and license owned by every party may be revoked if:

- a. the party is sentenced to penalty on the basis of a legally fixed court verdict;
- b. the party acts to violate the stipulated prohibition related to licensing or other provision governed in future exchange legislation;
- c. future exchange or future clearing institute does not execute the obligation as referred to in Article 17 or Article 27 of Law Number 32 Year 1997 on Future Commodity Exchange as already amended by Law Number 10 Year 2011 regarding the Amendment to Law Number 32 Year 1997 on Future Commodity Exchange;
- d. Bappebti has a strong reason that representative of future exchange, future advisor or management of future funds center does not execute activity honestly and transparently; or
- e. the party grants untrue information or remark in licensing application or report submitted to future exchange, future clearing institute or Bappebti.

**Article 165**

The approval and certificate of registration owned by every party may be nullified if:

- a. the party is sentenced to penalty on the basis of a legally fixed court verdict;

- b. the party acts to violate the stipulated prohibition related to licensing or other provision governed in future exchange legislation;
- c. the party submits untrue information or remark in licensing application or report submitted to future exchange, future clearing institute or Bappebti.

**Article 166**

License of representative of future broker, future advisor and management of future funds center shall expire automatically if the said person passed away.

**Article 167**

Activity of representative of future broker, future advisor and management of future funds center may be frozen if:

- a. business activity of future broker, future advisor or management of future funds center appointing the person as representative is frozen;
- b. the representative of future broker, future advisor or management of future funds center is reported to the court because the said person is accused of violating future exchange legislation; or
- c. in accordance with result of examination by Bappebti, the representative of future broker, future advisor or management of future funds center is proven guilty to violate provision in the field of future exchange.

### Article 168

License of representative of future broker, future advisor and management of future funds center may be revoked if:

- a. business license of future broker, future advisor or management of future funds center appointing the said person as representative is revoked;
- b. the representative of future broker, future advisor or management of future funds center resigns or does not work anymore in the future exchange company;
- c. the representative is unable to execute function for 6 (six) months consecutively on the basis of recommendation or application of future exchange company, future advisor or management of future funds center appointing the said person as representative;
- d. the representative of future broker, future advisor or management of future funds center is sentenced to penalty on the basis of a legally fixed court verdict;
- e. the representative of future broker, future advisor or management of future funds center violates future exchange legislation; and/or
- f. the representative of future broker, future advisor or management of future funds center grants untrue information or data in licensing application or report submitted to future exchange, future clear-

ing institute or Bappebti.

### Article 169

Future exchange not saving compensatory funds in separate account at bank approved by the Head of Bappebti shall be subject to administrative fine maximally Rp 500,000,000 (five hundred million rupiah).

### Article 170

Besides the administrative sanction as referred to in Article 158, administrative fine may be imposed on every party as referred to in Article 156 paragraph (1) with the maximum amount Rp50,000,000 (fifty million rupiah) in the case of individual person and maximally Rp100,000,000 (one hundred million rupiah) in the case of non-individual person violating future exchange legislation.

### Article 171

Bappebti may announce the imposition of administrative sanction as referred to in Article 156 paragraph (1) in mass media.

### Article 172

Further provision on procedure for the imposition of the administrative sanction shall be regulated by a regulation of the Head of Bappebti.

CHAPTER XIII

TRANSITIONAL PROVISION

Article 173

Following the enforcement of this regulation, provision on the paid-up capital of future exchange and future clearing institute shall be adjusted to the provision in this government regulation in no later than one year as from the promulgation of this government regulation.

CHAPTER XIV

CONCLUSION

Article 174

Following the enforcement of this government regulation, Government Regulation Number 9 Year 1999 on the Operation of Future Commodity Exchange (Statute Book of the Republic of Indonesia Year 1999 Number 16, Supplement to Statute Book of the Republic of Indonesia Number 3805) shall be revoked and declared null and void.

Article 175

The government regulation shall come into force as from the date of promulgation.

For public cognizance, the government regulation shall be promulgated by placing it in Statute Book of the Republic of Indonesia.

Stipulated in Jakarta,

On June 30, 2014

THE PRESIDENT OF THE REPUBLIC OF INDONESIA,

sgd.

DR. H. SUSILO BAMBANG YUDHOYONO

Promulgated in Jakarta,

On July 1, 2014

THE MINISTER OF LAW AND HUMAN RIGHTS OF  
THE REPUBLIC OF INDONESIA

sgd.

AMIR SYAMSUDIN

STATUTE BOOK OF THE REPUBLIC OF INDONESIA  
YEAR 2014 NUMBER 143

ELUCIDATION

ON

GOVERNMENT REGULATION OF THE REPUBLIC OF  
INDONESIA NUMBER 49 YEAR 2014

REGARDING

THE OPERATION OF FUTURE  
COMMODITY EXCHANGE

I. GENERAL

Following the promulgation of Law Number 10 Year 2011 regarding the Amendment to Law Number 32 Year 1997 on Future Commodity Exchange, it is necessary to replace Government Regulation Number 9 Year 1999 on the Operation of Future Commodity Exchange by amending several provision, among others, capital affairs and shareholder of future exchange and future clearing institute, regulation on organizer and participant of alternative trading system, approval

of the opening of branch office of future broker, the implementation of promotion or advertisement, training and meeting in the field of future exchange as well as amendment to regulation on administrative sanction against violation of this regulation.

In order to realize future exchange activities regularly, rationally, efficiently and effectively, it is necessary to stipulate requirements and procedures that every party undertaking activities in future commodity exchange has to be fulfilled. The requirements and procedures are effective in the framework of licensing of future exchange, future clearing institute, future broker, future trader, organizer of alternative trading system, participant of alternative trading system, future advisor, management of future funds center, future funds center, representative of future broker, future advisor, management of future funds center and bank depositing funds separately.

Besides the requirements and procedures that need to be fulfilled in the framework of the licensing, it is also necessary to regulate requirements and procedures for the use of compensatory funds, depositing funds in separate account, distribution of customer mandate to overseas future exchange as well as the implementation of future exchange.

Subsequently, in the framework of enforcing regulations in the field of future commodity exchange, it is necessary to regulate provision on the imposition of administrative sanction.

Given that the numerous and growing violations in activity of future exchange, this government

regulation delegates further regulation about procedures for the imposition of administrative sanction to Bappebti in accordance with the borders stipulated in this government regulation. In relations thereto and as further elaboration of Law Number 32 Year 1997 on Future Commodity Exchange as already amended by Law Number 10 Year 2011 regarding the Amendment to Law Number 32 Year 1997 on Future Commodity Exchange, it is necessary to stipulate a government regulation on the operation of future commodity exchange.

## II. ARTICLE BY ARTICLE

### Article 1

Sufficiently clear

### Article 2

#### Paragraph (1)

The minimum quantity of 11 (eleven) business entities in the form of limited liability company not affiliated one each other which are active in transaction of activities at future exchange is deemed sufficient to execute activity of future exchange fairly.

#### Paragraph (2)

Majority means a largest part or for instance, minimally 6 (six) of the 11 (eleven) business entities must constitute business entities in the form of limited liability company undertaking business activity in the field of commodity and/or finance feasible to



trade for 3 (three) years at the minimum, while the rest is opened for business entities operating in other business line.

Paragraph (3)

Sufficiently clear

Article 3

Sufficiently clear

Article 4

Paragraph (1)

Letter a up to Letter e

Sufficiently clear

Letter f

The business plan for 3 (three) years includes organizational structure, communications facility, and the would-be executed training programs.

Letter g up to Letter n

Sufficiently clear

Paragraph (2)

Sufficiently clear

Article 5

Sufficiently clear

Article 6

Paragraph (1)

Sufficiently clear

Paragraph (2)

Still active means that the parties securing license still execute activities in accordance with their respective functions.

Article 7 and Article 8

Sufficiently clear

Article 9

Paragraph (1)

Sufficiently clear

Paragraph (2)

Basically, future exchange carries a special mission having orientation to help or support communities, mainly business communities and farmers in executing risk management through hedging. For the purpose, the market must be transparent and fair and communities have their interest protected. In relations thereto, one community leader is needed to represent interests of communities in the membership of commissioner board. The individual person may come from business community leader or government leader having good integrity, respected and understanding future exchange.

Paragraph (3) up to Paragraph (8)

Sufficiently clear

Article 10 up to Article 12

Sufficiently clear

Article 13

Paragraph (1)

If an incident causes certain transaction of future contract or a part of future contract to stop or be affected, the discontinuation of future exchange activity is only applied to the said transaction of future contract.

Paragraph (2)

Letter a

Failure in physical facility and infrastructure is among other, electricity failure, failure in communications facility, not working computer as well as other incidents affecting the execution of transaction activity.

Letter b

In the case of economic or financial crisis in Indonesia or other countries affecting or disturbing the execution of future contract transaction at future exchange, efforts to reduce negative impact of the crisis are taken first. However, in the case of the continuation of transaction activity of future contract being extremely harmful to organizer, executor, communities and the government, the activity of future

exchange may be stopped.

Letter c

In the case of the occurrence of condition beyond human capability to control it, such as natural disaster, strike, riot, fire and war making future exchange activity unable to execute properly, it is necessary to declare soon that the future exchange activity stops.

Letter d

Violation causing market mechanism unable to run properly means, among others, conspiracy and manipulation causing greater loss to other executors or communities.

Paragraph (3)

Sufficiently clear

Article 14

Paragraph (1) and Paragraph (2)

Sufficiently clear

Paragraph (3)

The discontinuation of transaction activity of future contract means that no price may be used as the basis for calculation or liquidation of open position of future contract owned by customer or other party and for the purpose, future exchange needs to stipulate a settlement price in accordance with future exchange legislation.

Article 15 and Article 16

Sufficiently clear

Article 17

Paragraph (1)

The settlement or improvement measures may be in the form of the perfection or change in requirements for future contract, addition or reduction of delivery place of goods, stipulation of a specified settlement price, stipulation of greater capital addition, which is considered able to improve condition and/or apply economization and efficiency.

Paragraph (2)

Sufficiently clear

Article 18

Sufficiently clear

Article 19

After the Head of Bappebti stipulates that future exchange activity is discontinued, financial and legal obligations already existing or arising later as a consequence of the discontinuation still continue to become responsibility of organizer of the future exchange to be settled in accordance with legislation.

Article 20

Paragraph (1)

Sufficiently clear

Paragraph (2)

Business license of future exchange is revoked after the Head of Bappebti believes that activity of the future exchange is impossible to re-activate or unable anymore to contribute benefit to economy and communities. In relations thereto, before executing the revocation, the Head of Bappebti needs to study thoroughly and consider first various interests related to the revocation of the business license, namely communities, customers, members of the said future exchange and other related institutions.

Paragraph (3)

Sufficiently clear

Article 21 up to Article 26

Sufficiently clear

Article 27

Business entity of future clearing institute in the form of limited-liability company is intended to support the realization of regular, rational, efficient and effective transaction of future contract, sharia derivative contract and/or other derivative contracts.

Future clearing institute constitutes a supporting institution of future exchange in creating the smoothness and easiness for its members to execute transaction of commodities on the basis of future contract, sharia derivative contract and/or other derivative contracts. Therefore, the main mission of future clearing institute is not profit-seeking. The relatively

cheap cost of service and transaction constitutes any of the important elements in creating a liquid market so that future clearing institute has to pay attention to the element. If the rest of business proceeds is obtained in its activity, the rest of business proceeds has to be used optimally for interest of the smoothness and easiness in the operation of clearing and guaranty activity as well as members of the said future clearing institute.

Article 28 and Article 29  
Sufficiently clear

Article 30  
Paragraph (1)  
Letter a up to Letter c  
Sufficiently clear

Letter d  
The plan of activity for 3 (three) years includes financial projection, organizational structure, communications facilities and the would-be executed training program.

Letter e up to Letter i  
Sufficiently clear

Paragraph (2)  
Sufficiently clear

Article 31  
Sufficiently clear

Article 32  
Paragraph (1)  
Sufficiently clear

Paragraph (2)  
Still active means that parties securing licensing still undertake their activities in accordance with their respective functions.

Article 33 up to Article 46  
Sufficiently clear

Article 47  
Paragraph (1)  
Letter a up to Letter c  
Sufficiently clear

Letter d  
The plan of business activity includes organization, personnel recruitment and education as well as training system, preparation of telecommunications facilities and information system, regulation supervisory and executing system, operational plan and management of transaction as well as financial projection for 3 (three) years.

Letter e up to Letter j

Sufficiently clear

Paragraph (2) and Paragraph (3)

Sufficiently clear

Article 48

Paragraph (1)

Sufficiently clear

Paragraph (2)

Still active means that parties securing licensing still undertake their activities in accordance with their respective functions.

Article 49 up to Article 51

Sufficiently clear

Article 52

Paragraph (1)

Letter a and Letter b

Sufficiently clear

Letter c

Economic crime is among others crime in the field of trade, industry or agriculture. Financial crime is among others crime in the field of banking, insurance, capital market or taxation.

Letter d up to Letter f

Sufficiently clear

Paragraph (2)

Parties controlling company directly or indirectly are commissioners, directors, shareholders or other parties having power potential to influence policy and activity of the company.

Article 53 up to Article 55

Sufficiently clear

Article 56

The expertise in this case is shown by certificate of the success to pass test executed by Bappebti in the would-be handled field.

Article 57

Paragraph (1)

Letter a and Letter b

Sufficiently clear

Letter c

The said party means company when representative of future broker is to work.

Paragraph (2)

Sufficiently clear

Article 58

Paragraph (1)

Sufficiently clear

Paragraph (2)

Still active means that parties securing licensing still undertake their activities in accordance with their respective functions.

Article 59

Sufficiently clear

Article 60

Paragraph (1) up to Paragraph (4)

Sufficiently clear

Paragraph (5)

Future broker meets requirement for becoming future advisor simultaneously so that future broker in executing activity as future advisor needs not additional business license as future advisor anymore.

Article 61 up to Article 63

Sufficiently clear

Article 64

Paragraph (1)

Letter a and Letter b

Sufficiently clear

Letter c

Economic crime is among others crime in the field of trade, industry or agriculture. Financial crime is among others crime in the field of banking, insurance, capital market or taxation.

Letter d up to Letter f

Sufficiently clear

Paragraph (2)

Parties controlling company directly or indirectly are commissioners, directors, shareholders or other parties having power potential to influence policy and activity of the company.

Article 65

Sufficiently clear

Article 66

Paragraph (1)

Sufficiently clear

Paragraph (2)

Still active means that parties securing licensing still undertake their activities in accordance with their respective functions.

Article 67 up to Article 70

Sufficiently clear

Article 71

Paragraph (1)

Sufficiently clear

Paragraph (2)

Still active means that parties securing licensing still undertake their activities in accordance with

their respective functions.

Article 72 up to Article 75

Sufficiently clear

Article 76

Paragraph (1)

Letter a and Letter b

Sufficiently clear

Letter c

Economic crime is among others crime in the field of trade, industry or agriculture. Financial crime is among others crime in the field of banking, insurance, capital market or taxation.

Letter d up to Letter f

Sufficiently clear

Paragraph (2)

Parties controlling company directly or indirectly are commissioners, directors, shareholders or other parties having power potential to influence policy and activity of the company.

Article 77

Paragraph (1)

Sufficiently clear

Paragraph (2)

Still active means that parties securing licensing still undertake their activities in accordance with their respective functions.

Article 78 up to Article 81

Sufficiently clear

Article 82

Paragraph (1)

Sufficiently clear

Paragraph (2)

Still active means that parties securing licensing still undertake their activities in accordance with their respective functions.

Article 83 up to Article 86

Sufficiently clear

Article 87

Paragraph (1)

Sufficiently clear

Paragraph (2)

Still active means that parties securing licensing still undertake their activities in accordance with their respective functions.

Article 88

Sufficiently clear

Article 89

Paragraph (1)

The minimum amount of the available funds is counted from the need of funds needed to pay demand for compensation from customers.

Paragraph (2) and Paragraph (3)

Sufficiently clear

Article 90

Letter a up to Letter i

Sufficiently clear

Letter j

Management of future funds center may delay or reject the repurchase of certificate of participation if the price of the certificate is difficult to determine because of the discontinuation of transaction of future contract partly or wholly, commodities becoming subject of future contract and/or other instrument regulated by a regulation of the Head of Bappebti and financial condition reaches certain limit impossible to repurchase the certificate.

Letter k

Sufficiently clear

Letter l

Activity of future funds center may discontinue or be discontinued permanently if the whole contracts becoming the basis for investment in the

future funds center are terminated due to the closure of future exchange, force majeure, or expiration of contract period of the establishment of the future funds center.

Article 91 up to Article 96

Sufficiently clear

Article 97

Paragraph (1)

Letter a and Letter b

Sufficiently clear

Letter c

Economic crime is among others crime in the field of trade, industry or agriculture. Financial crime is among others crime in the field of banking, insurance, capital market or taxation.

Letter d up to Letter g

Sufficiently clear

Paragraph (2)

Parties controlling company directly or indirectly are commissioners, directors, shareholders or other parties having power potential to influence policy and activity of the company.

Article 98

Paragraph (1)

The other instruments are among others



physical transaction product at future exchange and alternative trading system and/or warehouse receipt system.

Paragraph (2)

Sufficiently clear

Article 99

Paragraph (1)

Sufficiently clear

Paragraph (2)

Still active means that parties securing licensing still undertake their activities in accordance with their respective functions.

Article 100 up to Article 102

Sufficiently clear

Article 103

Paragraph (1)

Sufficiently clear

Paragraph (2)

Still active means that parties securing licensing still undertake their activities in accordance with their respective functions.

Article 104

Sufficiently clear

Article 105

Paragraph (1) and Paragraph (2)

Sufficiently clear

Paragraph (3)

The minimum amount of the available funds is counted from the need of funds needed to pay demand for compensation from customers..

Paragraph (4)

Letter a and Letter b

Sufficiently clear

Letter c

Profit of future exchange in its operational activity may be obtained from sources, such as sales of membership of future exchange, annual contribution, transaction cost, rent of facility and other service fees.

The rest of income after being subtracted by expenditure on operational activity of future exchange has to be used optimally for the development of future exchange by enhancing facility and service for its members so that the future exchange is increasingly efficient and has integrity increasing.

Any of the components potential to enhance integrity of future exchange is the sufficient amount of compensatory funds. In relations thereto, profit earned by future exchange may be set aside partly to supplement compensatory funds.

Paragraph (5) and Paragraph (6)

Sufficiently clear

Article 106

Sufficiently clear

Article 107

Paragraph (1)

Sufficiently clear

Paragraph (2)

The value of loss means the value of real loss yet to be received by customer, including interest, if any, and cost spent by customer in the complaining process and investigation into demand for compensation.

Article 108

Paragraph (1)

Sufficiently clear

Paragraph (2)

Letter a

In order to claim compensation from future exchange on loss attributable to default committed by future broker, the said customer has to be able to show evidence that efforts have been taken to collect it directly from future broker committing default and the future broker is believed to have no goodwill to settle the case.

Letter b

Sufficiently clear

Letter c

The amount of demand which may be submitted has to match the amount of the suffered real loss plus other costs, such as interest and cost spent by customer in relations to the complaining process and investigation into demand for compensation.

Article 109

Paragraph (1)

Sufficiently clear

Paragraph (2)

The minimum amount of the available funds is counted from the need of funds needed to pay demand for compensation to customer.

Article 110 up to Article 113

Sufficiently clear

Article 114

Paragraph (1)

Sufficiently clear

Paragraph (2)

Still active means that parties securing licensing still undertake their activities in accordance with their respective functions.

Article 115 up to Article 117

Sufficiently clear

Article 118

Paragraph (1)

The Head of Bappebti in stipulating the list of overseas future exchange, concurrently stipulate future contract and/or other derivative contracts which may be used for the distribution of customer mandate to the said future exchange.

Paragraph (2)

Stipulation of overseas future exchange along with future contract and/or other derivative contract by Bappebti is basically intended so that domestic customers planning to use future contract and/or other derivative contracts traded at the overseas future exchange are really protected from potential losses because among others, future exchange provision as well as clearing and guaranty are deemed not granting adequate protection to customers or the market is not liquid. In relations thereto, before the list of overseas future exchange along with future contracts and/or other derivative contracts are stipulated, it is necessary execute first thorough study on rules and regulations of both future exchange and future clearing institute as well as future contract and/or other derivative contracts and cooperation of overseas supervisory board and future exchange to help settle complaint and/or dispute submitted by customers.

Paragraph (3)

Letter a

Equal protection means no discrimination in the handling and settlement of complaint or demand submitted by customers, either resident customers or non-resident customers.

Letter b

Sufficiently clear

Letter c

Transaction of future contract and/or other derivative contracts at overseas future exchange basically has to contribute benefit to Indonesian economy for either hedging, arbitration and others.

Article 119

Application is declared received completely if the application has been accompanied by the whole required documents, without request for the change and/or addition of information from the Head of Bappebti.

Article 120 up to Article 125

Sufficiently clear

Article 126

Letter a

Sufficiently clear

Letter b

Identity of institution where margin is saved means the name of bank where future clearing institute saves margin received from future broker.

Letter c

Sufficiently clear

Article 127 and Article 128

Sufficiently clear

Article 129

Paragraph (1) and Paragraph (2)

Sufficiently clear

Paragraph (3)

Open position of future contract, sharia derivative contract and/or other derivative contract is a selling or buying position of future contract not yet liquidated or maturing.

Article 130 up to Article 133

Sufficiently clear

Article 134

Paragraph (1)

Sufficiently clear

Paragraph (2)

Letter a and Letter b

Sufficiently clear

Letter c

The corporate information document also contains transaction program yet to be ascertained and understood by every client.

Letter d up to Letter f

Sufficiently clear

Paragraph (3) and Paragraph (4)

Sufficiently clear

Article 135

Paragraph (1)

Sufficiently clear

Paragraph (2)

Letter a dan Letter b

Sufficiently clear

Letter c

The corporate information document also contains transaction program yet to be ascertained and understood by every participant of future funds center.

Letter d

Sufficiently clear

Letter e

Other executor is party transacting product

outside future contract, sharia derivative contract and/or other derivative contract.

Letter f and Letter g

Sufficiently clear

Letter h

Other record means record of every transaction for individual or principal of company managing future funds center, covering date of transaction, quantity, kind of future contract, sharia derivative contract and/or other derivative contract, price, month of delivery, future broker managing account, selling and buying transaction, and profit or loss, including confirmation and monthly report granted by future broker.

Paragraph (3)

Sufficiently clear

Article 136 up to Article 140

Sufficiently clear

Article 141

Paragraph (1)

Prohibition on the opening or having account in other future broker is intended to avoid conspiracy potential to inflict loss on customers and irrational and not transparent activity of transaction in the market.

Paragraph (2)

The provision is stipulated so that wives or husbands of future exchange personnel may not be utilized to connive in executing transaction already fixed previously thus making fair market mechanism unable to function and in a bid to avoid the possibilities of transaction by a group of people or their families to exceed the limit of the stipulated position.

Article 142

to be continued

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# THE OPERATION OF FUTURE COMMODITY EXCHANGE

(Government Regulation Number 49 Year 2014,  
dated June 30, 2014)

[Continued from Business News No. 8690-8691  
page 19-48]

Article 142

Paragraph (1)

Letter a and Letter b

Sufficiently clear

Letter c

Matters to be explained with regards to content of future contract include, among others maximum limit of transaction, ownership position of future contract which has to be reported, limit of price fluctuation, margin and other provision in force.

Letter d up to Letter f

Sufficiently clear

Paragraph (2)

Sufficiently clear

Article 143 up to Article 145

Sufficiently clear

Article 146

Letter a up to Letter m

Sufficiently clear

Letter n

Certain condition means, among others, customer is not in the place for a specified period and for transaction aiming at avoiding bigger loss (stop loss) in accordance with the provision stipulated by the Head of Bappebti.

Letter o

Sufficiently clear

Article 147 up to Article 149

Sufficiently clear

Article 150

Paragraph (1)

Affiliation means:

- a. familial relations by marriage and blood up to the second degree horizontally and vertically;
- b. relations between party and employee, director or

commissioner of certain party;

- c. relations between two companies wherein one member of the board of director or commissioner or more is the same;
- d. relations between company and party, directly or indirectly, controlling or controlled by the said company;
- e. relations between two companies controlled directly or indirectly by the same party; or
- f. relations between company and the mains shareholder.

Paragraph (2) and Paragraph (3)

Sufficiently clear

Article 151 up to Article 162

Sufficiently clear

Article 163

Letter a

Sufficiently clear

Letter b

Financial integrity is financial capability of company or individual person, which is measured

from the owned capital and/or asset in accordance with the stipulated requirement as well as compliance to pay the whole financial liabilities, mainly the payment of tax by the said company or person.

The required business reputation is capability of managing business properly and proper credibility and behavior, which is indicated by, among others:

- 1) never sentence for committing crime;
- 2) never coming into the blacklist of the banking sector;
- 3) never declared bankrupt in the last 5 (five) years; and
- 4) having skill in the field of future exchange.

Letter c and Letter d

Sufficiently clear

Article 164 up to Article 175

Sufficiently clear

SUPPLEMENT TO STATUTE BOOK OF  
THE REPUBLIC OF INDONESIA NUMBER 5548

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