GOVERNMENT REGULATION OF THE REPUBLIC OF INDONESIA

NUMBER 49 OF 2014

ON

ORGANIZATION OF COMMODITY FUTURES TRADING

BY THE GRACE OF GOD ALMIGHTY

PRESIDENT OF THE REPUBLIC OF INDONESIA

Considering:

a. That upon the enactment of Law Number 10 of 2011 on Amendment to Law Number 32 of 1997 on Commodity Futures Trading, Government Regulation Number 9 of 1999 on Organization of Commodity Futures Trading has been irrelevant and, therefore, it needs to be replaced;

b. That based on the consideration on point a above, it is necessary to issue a Government Regulation on Community Futures Trading.

In view of:

1. Paragraph (2) of Article 5 of the 1945 Constitution of the Republic of Indonesia;

2. Law Number 32 of 1997 on Commodity Futures Trading as amended by Law Number 10 of 2011 on Amendment to Law Number 32 of 1997 on Commodity Futures Trading (the
Statute Book of the Republic of Indonesia Number 79 of 2011, Supplement Number 5232 to the Statute Book of the Republic of Indonesia);

**DECIDES:**

To Stipulate

**GOVERNMENT REGULATION OF THE REPUBLIC OF INDONESIA**

**ON**

**ORGANIZATION OF COMMODITY FUTURES TRADING.**

**CHAPTER I**

**GENERAL PROVISIONS**

**Article 1**

In this Government Regulation:

1. Commodity Futures Trading hereinafter referred to as Futures Trading shall mean anything related to commodity trading with margin drawing and future settlements based on Futures Contracts, Sharia Derivative Contracts, and/or any other Derivative Contracts.

2. Commodities shall mean all goods, services, rights, and other interest and every derivative of commodities which can be traded and subject of futures contracts, Sharia Derivative Contracts, and/or any other Derivative Contracts.
3. Commodity Futures Trading Regulatory Agency hereinafter referred to as COFTRA shall mean a governmental agency whose main task is to build, to regulate, do develop and to supervise Futures Trading.

4. Futures Exchange shall mean a business entity which provides systems and/or facilities for commodity trading based on futures contracts, Sharia Derivative Contracts, and/or any other Derivative Contracts.

5. Futures Contract shall mean a standard contract for purchasing or selling Commodities with future settlement as set forth in the contract traded in a Futures Exchange.

6. Derivative Contract shall mean a contract whose value and price depend on commodity subjects.


8. Option shall mean a contract which gives a right to the buyer to buy or sell a futures contract or certain commodities as certain prices, quantities, and terms which have been determined in advance by paying premiums at certain amounts.

9. Clearing House and Futures Guarantee hereinafter referred to as Futures Clearing House shall mean an agency
providing systems and/or facilities for clearing and guarantee for Futures Trading transactions.

10. Alternative Trading System is a trading system related to sale-purchase of Derivative Contracts and Sharia Derivative Contracts conducted outside a Futures Exchange on bilateral bases with margin withdrawal registered at a Futures Clearing House.

11. Alternative Trading System Operators shall mean Futures Traders being Members of Futures Clearings conducting sale-purchase of Derivative Contracts in addition to Futures Contracts and Sharia Derivative Contracts for and on behalf of themselves in Alternative Trading Systems.


13. Party shall mean an individual, a cooperative, a business entity, a joint business entity, an association, or a group and/or an organized company.

14. Members of Futures Exchange shall mean parties having the right to conduct transactions under Futures Contracts, Sharia Derivative Contracts and/or any other Derivative Contracts pursuant to rules and regulations of a Futures Exchange.
15. Members of Futures Clearing and Guarantee Institution hereinafter referred to as Members of Futures Clearing shall mean Members of Futures Exchange having the right to use systems and/or facilities of the Futures Clearing House and to conduct clearing and to get guarantee for settlements of transactions under Futures Contracts, Sharia Derivative Contracts, and any other Derivative Contracts.

16. Futures Trading Brokers hereinafter referred to as Futures Brokers shall mean private business entities conducting sale-purchase of commodities under Futures Contracts, Sharia Derivative Contracts, and any other Derivative Contracts as mandated by Customers to withdraw certain amounts of money and/or certain commercial papers as margins to secure such transactions.

17. Futures Trading Advisors hereinafter referred to as Futures Advisors shall mean Parties giving advices to other parties in relation to sale-purchase of commodities under Futures Contracts, Sharia Derivative Contracts, and any other Derivative Contracts by receiving rewards.

18. Futures Trading Mutual Fund hereinafter referred to as Future Mutual Fund shall mean a vehicle used to raise funds collectively from societies to be invested in a Futures Contract and/or Commodities being subjects of
Futures Contracts and/or other instruments as stipulated by Regulations of Head of COFTRA.

19. Futures Trading Mutual Fund Operators hereinafter referred to as Futures Mutual Fund Operators shall mean parties conducting businesses related to management of funds raised from members of Futures Mutual Funds to be invested under Futures Contracts.

20. Traders of Futures Contracts, Sharia Derivative Contracts and/or any other Derivative Contracts hereinafter referred to as Futures Trader shall means Members of Futures Exchange which have only the right to make transactions under Futures Contracts, Sharia Derivative Contracts and/or any other Derivative Contracts in a Futures Exchange for and behalf of themselves or their business groups.

21. Customers shall mean Parties making transactions under Futures Contracts, Sharia Derivative Contracts and/or any other Derivative Contracts via accounts managed by Futures Brokers.

22. Compensation Fund shall mean funds used to pay compensation to non-Members of Futures Exchange Customers due to defaults and/or mistakes made by Members of Futures Exchange in their capacity as Futures Brokers.

23. Margin shall mean a sum of money or a commercial paper which shall be deposited by Customers to a Futures
Broker, by a Futures Broker to a Futures Clearing Member, or by a Futures Clearing Member to a Futures Clearing House to secure transactions under Futures Contracts, Sharia Derivative Contracts and/or any other Derivative Contracts.

24. Minister shall mean the minister responsible for governmental affairs in trading.

CHAPTER II

FUTURES EXCHANGE

Part One

Business License

Article 2

(1) A Futures Exchange shall be established by at least 11 (eleven) limited liability companies not affiliated to each other.

(2) The majority of business entities as referred to in paragraph (1) shall be engaged in businesses of commodities and/or finance feasible for minimum trade of 3 (three) years.

(3) Futures Exchange as referred to in paragraph (1) shall conduct its businesses after securing a business license from Head of COFTRA.
Article 3

(1) Paid-up capital of Futures Exchange shall at least Rp 100,000,000.00 (one hundred billion rupiah).

(2) The amount of paid-up capital as referred to in paragraph (1) may be amended according to developments in business activities of the Futures Exchange and as stipulated in the Regulation of Head of COFTRA.

Article 4

(1) In order to secure a business license as referred to in paragraph (3) of Article 2, a Futures Exchange shall submit an application to Head of COFTRA, enclosed with the following documents:

a. Copy of establishment deed of the Limited Liability Company which has been legalized by the Minister responsible for governmental affairs in laws;

b. List of founders of the Futures Exchange;

c. Taxpayer Identification Number of the Limited Liability Company;

d. Profiles of founders of the Futures Exchange;

e. Economic considerations on which the establishment of the Futures Exchange is based, including description of the exchange to be established;

f. Business plans in 3 (three) years;
g. Financial projection for 3 (three) years;

h. Initial plan of the limited liability company which has been audited by a Public Accountant;

i. List of candidates of Commissioners and Directors;

j. Designs of rules and regulations of the Futures Exchange;

k. Cooperation agreements of the Futures Exchange with Futures Clearing House to be used;

l. Planned Futures Contracts, Sharia Derivative Contracts, any other Derivative Contracts, and/or trades of physical commodities;

m. A written statement on readiness of hardware and software for the Futures Exchange; and

n. Copy of establishment deed of the Futures Clearing House which will be used if the Futures Clearing House is part of the Futures Exchange.

(2) The application as referred to in paragraph (1) shall be submitted by using the forms whose forms and substances stipulated by Head of COFTRA.

**Article 5**

In granting a business license of Futures Exchange, Head of COFTRA shall:

a. examine the completeness of the required documents as referred to in paragraph (1) of Article 4;

[Signature]

ANANG FAHKCRUDIN
SWORN & AUTHORIZED TRANSLATOR
11/22/2004
b. examine the 3 (three)-year activity plan;

c. assess and to approve the designs of rules and regulations;

d. conduct a fit and proper test for commissioner and director candidates; and

e. check physical facilities and infrastructures and exchange systems for safe and efficient transactions.

**Article 6**

(1) Head of COFTRA shall approve or reject the application submitted to get a business license of Futures Exchange within 32 (thirty two) working days since the application is received completely.

(2) A business license shall be effective as long as the Futures Exchange remains active in conducting its businesses.

**Article 6**

Further provisions on procedure for granting a business license for Futures Exchange shall be regulated in a regulation of Head of COFTRA.

**Part Two**

**Company Organs**

**Article 8**

(1) Shares of Futures Exchange shall be only owned by:

a. Founders;
b. Members of Futures Exchange;

c. Indonesian legal entities; and/or

d. individuals

(2) Shares of Futures Exchange as referred to in paragraph (1) shall be registered stocks with equal nominal value and vote.

(3) In case an Indonesian legal entity as referred to in point c of paragraph (1) has foreign capital, such Indonesian legal entity shall be allowed to have maximum shares of 10% (ten percent) in the Futures Exchange.

(4) Total shares of an Indonesian business entity which has foreign capital as referred to in paragraph (3) shall be maximum 40% (forty percent) of the entire shares of the Futures Exchange.

**Article 9**

(1) The number of members of boards of commissioners and directors of the Futures Exchange shall be 7 (seven) people each.

(2) One member of Board of Commissioners as referred to in (1) shall represent the society.

(3) Members of Board of Directors of Futures Exchange shall not have dual positions as a member of Board of Commissioners or Board of Directors, or an employee of other companies engaged in other Futures Trading.
(4) Candidates of Board of Commissioners and Board of Directors shall be submitted to Head of COFTRA for approvals.

(5) Head of COFTRA shall grant his/her approval for candidates of Board of Commissioners and Board of Directors as referred to in paragraph (4) if they meet the following requirements:

a. capable to do legal actions;

b. never declared bankrupt and being a director or commissioners stated guilty for causing a company to be declared bankrupt over the last 5 (five) years;

c. never sentenced for proven economic and financial crimes;

d. never sentenced for more than 5 (five) years;

e. having good characters and morality;

f. having sufficient knowledge about futures trading.

(6) Members of Board of Commissioners and Board of Directors shall be appointed for an office term of 5 (five) years and can be reelected for 1 (one) term of office.

(7) Any change to Board of Commissioners, Board of Directors, candidate commissioners and directors of Futures Exchange shall be submitted to Head of COFTRA for approval.
(8) Further provisions on the requirements and procedures for nominating members of Board of Commissioners and Board of Directors of Futures Exchange is regulated in Regulation of Head of COFTRA.

Part Three

Rules and Regulations of Futures Contracts, Sharia Derivative Contracts, and/or Other Derivative Contracts

Article 10

(1) Rules and Regulations of Futures Exchange, Futures Contracts, Sharia Derivative Contracts, and/or Other Derivative Contracts and their amendments shall be approved by Head of COFTRA.

(2) In case Rules and Regulations of Futures Exchange, Futures Contracts, Sharia Derivative Contracts, and/or Other Derivative Contracts and their amendments is rejected, Head of COFTRA shall give the reason for the rejection.

Article 11

Approval or rejection of any amendment to Rules and Regulations of Futures Exchange, Futures Contracts, Sharia Derivative Contracts, and/or Other Derivative Contracts as referred to in Article 10 shall be given within 28 (twenty
eight) working days since the application is received completely and correctly by Head of COFTRA.

**Part Four**

**Activity Plans and Annual Budget**

**Article 12**

(1) Activity plans and annual budget of the Futures Exchange shall be subject to approvals of Head of COFTRA.

(2) If within 10 (ten) working days as of the receipt of the activity plans and annual budget of the Futures Exchange as referred to in paragraph (1) Head of COFTRA fails to give any response, COFTRA shall be considered to approve the activity plans and annual budget.

**Part Five**

**Activity Termination**

**Article 13**

(1) In case of any activity threatening activities of Futures Exchange or the Futures Clearing House, the transaction activities under Futures contract at the Futures Exchange can be temporarily terminated for the Futures Contracts, certain positions of the Futures Contracts, or the entire Futures Contract traded at the Futures Exchange.
(2) Conditions threatening activities of Futures Exchange or Futures Clearing House as referred to in paragraph (1) can be:

a. Damage to physical facilities and infrastructures hampering operational activities of Futures Exchange;

b. Economic or monetary crises in Indonesia or any other countries causing disruption to transaction of Futures Contracts in Futures Exchange;

c. Natural disasters, strikes, riots, fires, and wars; or

d. Violations of laws and Regulations in Futures Trading in transactions under Futures Contract at Futures Exchange, causing disruption to market mechanism.

(3) Temporary termination as referred to in paragraph (1) can be effective partly or entirely to the open positions of Futures contracts traded at Futures Exchange.

**Article 14**

(1) Temporary termination as referred to in Article 13 shall be imposed by Futures Exchange within 1 (one) day as of the origin of the threatening condition.

(2) Temporary termination as referred to in paragraph (1), the reasons and measures already taken as well as
possible settlements of the condition shall be reported to Head of COFTRA.

(3) As a result of the temporary termination as referred to in paragraph (1), Futures Exchange shall determine the settlement prices for the open position of the Futures contracts in Futures Exchange.

**Article 15**

(1) If Futures Exchange fails to settle the problem causing temporary termination as referred to in Article 14, Head of COFTRA shall issue a decision for further temporary termination of transaction activities under Futures Contracts.

(2) The decision of Head of COFTRA as referred to in (1) shall be announced on at least 2 (two) print media with national circulation.

**Article 16**

If the problem causing temporary termination has been resolved, the implementations of transaction activities at the Futures Exchange shall be resumed and announced in at least 2 (two) print media with national circulation.

**Article 17**
(1) During a temporary termination of transaction activities at Futures Exchange as referred to in paragraph (1) of Article 15, Futures Exchange shall be given an opportunity to take any measure for required settlements or improvements.

(2) If Futures Exchange fails to take settlement or improvement measures as referred to in paragraph (1), Head of COFTRA shall order Futures Exchange to carry out certain action already decided.

Article 18

(1) If Futures Exchange fails to take settlement or improvement measures as referred to in paragraph (2) of Article 17 to protect the interests of Customers and Members of Futures Exchange, Head of COFTRA can terminate transaction activities under Futures Contracts at the Futures Exchange partly or entirely.

(2) In case transaction activities under Futures Contracts at the Futures Exchange are terminate partially or entirely as referred to in paragraph (1), the Futures Clearing House shall settle the open position of financial condition of members of Futures Clearing.

(3) Financial settlement as referred to in paragraph (2) shall use the settlement price at the end of the trading day of the transaction under Futures Contract which is terminated at the Futures Exchange.
Article 19

Consequences arising from the activity termination as referred to in Articles 13 and 18 shall be borne by the operator of the Futures Exchange.

Article 20

(1) Activities at Futures Exchange can be terminated permanently.

(2) Permanent termination of activities at Futures Exchange as referred to in paragraph (1) shall be made by Head of COFTRA by revoking business license of the Futures Exchange.

(3) Head of COFTRA shall report the revocation of the business license to the Minister and immediately announced it on at least 2 (two) print media with national circulation.

Article 21

The provision on termination of activities as referred to in from Article 13 to Article 20 shall be effective mutatis mutandis to the transaction activities under Sharia Derivative Contracts and/or any other Derivative Contracts.

Article 22
Further provisions on termination of activities at Futures Exchange shall be regulated in Regulation of Head of COFTRA.

Part Six

Dissolution

Article 23

(1) Futures Exchange whose business license is revoked shall hold a General Meeting of Shareholders to decide the dissolution of the Futures Exchange legal entity and the formation of a liquidation team.

(2) The decision to dissolve the Futures Exchange business entity and the formation of a liquidation team as referred to in paragraph (1) shall be made within 2 (two) months as of the revocation date of the business license.

Article 24

In case the provisions as referred to in Article 23 are not fulfilled, Head of COFTRA may submit an application to a court through the attorney office to remove the provision which contains:

a. Dissolution of the Futures Exchange business entity;

b. Appointment of liquidation team proposed by Head of COFTRA; and
c. An order to initiate the liquidation in accordance with prevailing laws and regulations.

Article 25

(1) Liquidator of Futures Exchange as referred to in paragraph (1) of Article 23 and point b of Article 24 shall pay the right of Futures Broker after being deducted by the payment to Customers who have invoices to the relevant Futures Broker.

(2) Customers as referred to in paragraph (1) reserve the right to demand their own funds deposited at the Futures Exchange through the liquidator by submitting valid evidence.

Article 26

Further provisions on dissolution of Futures Exchange business entity shall be stipulated by Regulation of Head of COFTRA.

CHAPTER III

Part One

Business License

Article 27

Activities of Futures Clearing House can be performed by only a business entity in the form of a limited liability company which has secured a business license from Head of COFTRA.


Article 28

(1) Paid-in capitals of Futures Clearing House shall be at least Rp 100,000,000,000.00 (one hundred billion rupiah).

(2) The amount of paid-in capital as referred to in paragraph (1) can be amended according to the developments of business activities of Futures Clearing House and stipulated in Regulation of Head of COFTRA.

Article 29

(1) Futures Clearing House can be

a. Separated from Futures Exchange and independent; or

b. Part of Futures Exchange

(2) In case Futures Clearing House is part of Futures Exchange as referred to in point b of paragraph (1), 50% (fifty percent) of the shares of Futures Clearing House shall be owned by Futures Clearing House.

Article 30

(1) In order to get a business license as referred to in Article 27, Futures Clearing House shall submit an application and the following documents to Head of COFTRA:

a. Copy of establishment deed of the Limited Liability Company which has been legalized by the Minister responsible for governmental affairs in laws;
b. List of shareholders

c. Taxpayer Identification Number of the Limited Liability Company;

d. Activity plans in 3 (three) years;

e. Financial projection for 3 (three) years;

f. Initial balance of the limited liability company which has been audited by a Public Accountant;

g. List of candidates of Commissioners and Directors;

h. Drafts of rules and regulations of the Futures Clearing House; and

i. A written statement on readiness of hardware and software for the Futures Exchange.

(2) The application as referred to in paragraph (1) shall be submitted by using the forms whose forms and substances stipulated by Head of COFTRA.

**Article 31**

In granting a business license of Futures Clearing House, Head of COFTRA shall:

a. examine the completeness of the required documents as referred to in paragraph (1) of Article 30;

b. examine the 3 (three)-year activity plan;

c. assess and to approve drafts of rules and regulations;
d. conduct a fit and proper test for commissioner and director candidates; and

e. check physical facilities and infrastructures and exchange systems for safe and efficient transactions.

**Article 32**

(1) Head of COFTRA shall approve or reject the application submitted to get a business license of Futures Clearing House within 32 (thirty two) working days since the application is received completely.

(2) A business license shall be effective as long as the Futures Clearing House remains active in conducting its businesses.

**Article 33**

Further provisions on procedure for granting a business license for Futures Clearing House shall be regulated in a regulation of Head of COFTRA.

**Part Two**

**Company Organs**

**Article 34**

(1) Shares of Futures Clearing House shall be only owned by:

   a. Individual;

   b. Members of Futures Exchange;

   c. Members of Futures Clearing House;
d. Futures Exchange

e. Indonesian legal entities; and/or

f. individuals

(2) Shares of Futures Clearing House as referred to in paragraph (1) shall be registered stocks with equal nominal value and vote.

(3) In case an Indonesian legal entity as referred to in point e of paragraph (1) has foreign capital, such Indonesian legal entity shall be allowed to have maximum shares of 10% (ten percent) in the Futures Clearing House.

(4) Total shares of an Indonesian business entity which has foreign capital as referred to in paragraph (3) shall be maximum 40% (forty percent) of the entire shares of the Futures Clearing House.

Article 35

(1) The number of members of boards of commissioners and directors of the Futures Clearing House shall be 7 (seven) people each.

(2) Members of Board of Directors of Futures Clearing House shall not have dual positions as members of Board of Commissioners or Board of Directors, or an employee of other companies engaged in other Futures Trading.
(3) Candidates of Board of Commissioners and Board of Directors shall be submitted to Head of COFTRA for approvals.

(4) Head of COFTRA shall grant his/her approval for candidates of Board of Commissioners and Board of Directors as referred to in paragraph (3) if they meet the following requirements:

a. capable to do legal actions;

b. never declared bankrupt and being a director or commissioners stated guilty for causing a company to be declared bankrupt over the last 5 (five) years;

c. never sentenced for proven economic and financial crimes;

d. never sentenced for more than 5 (five) years;

e. having good characters and morality;

f. having sufficient knowledge about futures trading.

(5) Members of Board of Commissioners and Board of Directors shall be appointed for an office term of 5 (five) years and can be reelected for 1 (one) term of office.

(6) Any change to Board of Commissioners, Board of Directors, candidate commissioners and directors of Futures Clearing House shall be submitted to Head of COFTRA for approval.
(7) Further provisions on the requirements and procedures for nominating members of Board of Commissioners and Board of Directors of Futures Clearing House is regulated in Regulation of Head of COFTRA.

**Part Three**

**Rules and Regulations**

**Article 36**

(1) Rules and Regulations of Futures Clearing House and their amendments shall be approved by Head of COFTRA.

(2) In case Rules and Regulations of Futures Clearing House is rejected, Head of COFTRA shall give the reason for the rejection.

**Article 37**

Approval or rejection of any amendment to Rules and Regulations of Futures Clearing House as referred to in Article 36 shall be given within 28 (twenty eight) working days since the application is received completely and correctly by Head of COFTRA.

**Part Four**

**Activity Plans and Annual Budget**

**Article 38**

(1) Activity plans and annual budget of the Futures Clearing House shall be subject to approvals of Head of COFTRA.
(2) If within 10 (ten) working days as of the receipt of the activity plans and annual budget of the Futures Clearing House as referred to in paragraph (1) Head of COFTRA fails to give any response, COFTRA shall be considered to approve the activity plans and annual budget.

Part Five

Activity Termination

Article 39

(1) Activities of Futures Clearing House can be terminated permanently.

(2) Permanent termination of activities at Futures Clearing House as referred to in paragraph (1) shall be made if:

a. All Futures Exchange using its services get their business licenses revoked;

b. All Futures Exchange as the holding company of Futures Clearing House get their business licenses revoked;

c. All Futures Exchange and Futures Clearing House agree to terminate their cooperation agreement; or

d. The relevant Futures Clearing House commit violation or is unable to perform its rights and obligations in accordance with laws and regulations in Futures Trading which then disrupts integrity of Futures Exchange and Customers’ interests.
(3) Permanent termination of activities at Futures Clearing House as referred to in paragraph (1) shall be made by Head of COFTRA by revoking business license of the Futures Clearing House.

(4) Head of COFTRA shall report the revocation of the business license of Futures Clearing House as referred to in paragraph (2) to the Minister and immediately announced it on at least 2 (two) print media with national circulation.

(5) In case the Futures Clearing House is terminated permanently, Futures Clearing House shall close all open positions of the Futures Clearing House.

(6) The closure as referred to in paragraph (4) shall use the settlement price at the last trading session of all open positions of Futures Contracts, Sharia Derivative Contracts, and/or any other Derivative Contracts.

**Article 40**

Further provisions on termination of activities at Futures Clearing House shall be regulated in Regulation of Head of COFTRA.

**Part Six**

**Dissolution**

**Article 41**
(1) Futures Exchange whose business license is revoked shall hold a General Meeting of Shareholders to decide the dissolution of the Futures exchange legal entity and the formation of a liquidation team.

(2) The decision to dissolve the Futures Exchange business entity and the formation of a liquidation team as referred to in paragraph (1) shall be made within 2 (two) months as of the revocation date of the business license.

Article 42

In case the provisions as referred to in Article 41 are not fulfilled, Head of COFTRA may submit an application to a court through the attorney office to remove the provision which contains:

a. Dissolution of the Futures Clearing House business entity;

b. Appointment of liquidation team proposed by Head of COFTRA; and

c. An order to initiate the liquidation in accordance with prevailing laws and regulations.

Article 43

(1) Liquidator of Futures Clearing House as referred to in paragraph (1) of Article 41 and point b of Article 42 shall pay the right of Futures Broker after being
deducted by the payment to Customers who have invoices to
the relevant Futures Broker.

(2) Customers as referred to in paragraph (1) reserve the
right to demand their own funds deposited at the Futures
Clearing House through the liquidator by submitting valid
evidence.

Article 44

Further provisions on dissolution of Futures Clearing House
business entity shall be stipulated by Regulation of Head of
COFTRA.

CHAPTER IV

FUTURES BROKERS AND FUTURES BROKER REPRESENTATIVES, FUTURES
ADVISORS AND FUTURES ADVISOR REPRESENTATIVES, FUTURES TRADERS,
OPERATORS OF ALTERNATIVE TRADING SYSTEMS, AND PARTICIPANTS OF
ALTERNATIVE TRADING SYSTEMS

Part One

Futures Brokers and Futures Broker Representatives

Paragraph 1

Futures Brokers

Article 45

Business activities as Futures Brokers can be performed only
by Members of Futures Exchange in the form of limited
liability companies which have secured a business license of Futures Brokers from Head of COFTRA.

Article 46

(1) Futures Brokerage shall fulfill the capital requirements.

(2) Further provisions on capitals as referred to in Paragraph (1) shall be stipulated in the Regulation of Head of COFTRA.

Article 47

(1) The application for a Business License of Futures Broker shall submitted to Head of COFTRA with the following documents:

a. Copy of establishment deed of the Limited Liability Company which has been legalized by the Minister responsible for governmental affairs in laws;

b. List of shareholders

c. Taxpayer Identification Number of the Limited Liability Company;

d. Activity plans;

e. Initial balance of the limited liability company which has been audited by a Public Accountant;

f. List of candidates of Commissioners and Directors that have been approved by Futures Exchange;
g. Proofs of membership of a Futures Exchange, Futures Clearing House, and Compensation Fund deposit; and

h. List of names of representatives of Futures Clearing House

(2) The application as referred to in paragraph (1) shall be submitted by using the forms whose forms and substances stipulated by Head of COFTRA.

(3) Business License of Futures Broker shall be granted upon fulfillments of all requirements and examination of physical facilities by Head of COFTRA.

**Article 48**

(1) Head of COFTRA shall approve or reject the application submitted by any party to get a business license of Futures Broker within 32 (thirty two) working days since the application is received completely.

(2) A business license of Futures Broker shall be effective as long as the futures exchange remains active in conducting its businesses.

**Article 49**

Further provisions on business license for Futures Broker shall be regulated in a regulation of Head of COFTRA.

**Article 50**

Futures Broker shall have at least 3 (three) representatives of Futures Broker one of whom shall hold the position of a director.
Article 51

(1) Futures Broker shall have 1 (one) director of compliance whose position is a Representatives of Futures Broker.

(2) Director of Compliance as referred to in paragraph (1) shall have passed the profession test of Representatives of Futures Broker hold by COFTA.

(3) Provisions on requirements, tasks, authorities, and obligations of Director of Compliance as referred to in paragraph (1) shall be regulated Regulation of Head of COFTA.

Article 52

(1) Futures Broker shall not be controlled directly or indirectly by an individual who

a. is incapable to do legal actions;

b. has been declared bankrupt and being a director or commissioners stated guilty for causing a company to be declared bankrupt over the last 5 (five) years;

c. has been sentenced for proven economic and financial crimes;

d. has never sentenced for more than 5 (five) years;

e. has no good characters and morality;

f. has no sufficient knowledge about futures trading.
(2) Futures Broker shall report any party controlling the company either directly or indirectly to Head of COFTRA.

Article 53

(1) Futures Broker may open branch offices upon an approval of Head of COFTRA;

(2) The approval for opening a branch office as referred to in paragraph (1) shall be given upon fulfillments of the following requirements:
   a. Increasing the paid-up capital as regulated in the Regulation of Head of COFTRA;
   b. Having business plans in the form of a business activity plans;
   c. Having at least 3 (three) Representatives of Futures Broker who will be stationed at branch offices and one of whom will hold a position of a director; and
   d. Having sufficient facilities and infrastructures for branch offices.

(3) The application for approval for opening a branch office as referred to in (1) shall be submitted by Futures Broker to Head of COFTRA by filling out the form stipulated by the Regulation of Head of COFTRA.

Article 54
(1) Futures Broker can be a member for more than 1 (one) Futures Exchange.

(2) In case a Futures Broker becomes a members of more than 1 (one) Futures Exchange as referred to in paragraph (1), the relevant Futures Exchange shall report the membership to hob.

Paragraph 2

Representative of Futures Brokers

Article 55

Representatives of Futures Broker can carry out activities after securing a license from Head of COFTRA.

Article 56

A license as Representatives of Futures Broker can granted only to an individual having expertise in trading brokerage under Futures Contracts, Sharia Derivative Contracts and/or any other Derivative Contracts.

Article 57

(1) The Application to secure a license as Representatives of Futures Broker shall be submitted to Head of COFTRA, supplied with the following documents:

a. Formal education diplomas;

b. Graduation certificate of a test held by Head of COFTRA
c. Recommendation from relevant Futures Broker

(2) The application as referred to in paragraph (1) shall use the form already determined by Head of COFTRA.

**Article 58**

(1) Head of COFTRA shall approve or reject the application submitted to get a business license of Representatives of Futures Broker within 32 (thirty two) working days since the application is received completely.

(2) A license of Representatives of Futures Broker shall be effective as long as the Representatives of Futures Broker remains active in conducting its businesses.

**Article 59**

Further provisions on procedure for granting a license for Representatives of Futures Broker shall be regulated in a regulation of Head of COFTRA.

**Part Two**

**Futures Advisors and Representatives of Futures Advisors**

**Paragraph 1**

**Futures Advisors**

**Article 60**
(1) Activities of Futures Advisor can be performed only by a Party already securing a Business License as Futures Advisor from Head of COFTRA.

(2) Business License as referred to in paragraph (1) cannot be granted to the following parties:

a. Banks, bank employees, news reporters, newspapers, lawyers, accountant, teachers, Futures Broker, Operator of Futures Mutual Funds, or Futures Exchange who perform the activities irregularly.

b. Parties giving advices to groups of collective investment in one controlled business group, other than Futures Mutual Funds; or

c. Other parties exempted from the laws and regulations on Futures Trading.

(3) Futures Advisor as referred to in (1) shall give advices directly, through special publication, or reporting through electronic media.

(4) Advices as referred to in paragraph (3) shall contain analyses of trading prices or actions under Futures contract, Sharia Derivative Contracts, and/or any other Derivative Contracts.

(5) Parties already securing Business License as Futures Broker can carry out their activities as Futures Advisors.
Article 61

(1) Futures Advisor shall be entitled to payments for Advices as referred to in paragraph (4) of Article 60 from Customers.

(2) In case an advice as referred to in paragraph (4) of Article 60 is give by Futures Advisor haven a Business License as Futures Broker, the Futures Advisor shall not be entitled to any payment.

Article 62

(1) The application for a Business License of Futures Advisor shall submitted to Head of COFTRA with the following documents:

a. Legal evidence of business, establishment deed of business entity of establishment deed of a limited liability company;

b. Taxpayer Identification Number (TIN);

c. List of names of experts having licenses as Representatives of Futures Advisor from Head of COFTRA.

(2) The application as referred to in paragraph (1) shall be submitted by using the forms whose forms and substances stipulated by Head of COFTRA.
(3) Business License of Futures Advisor shall be granted upon fulfillment of all requirements and examination of physical facilities by Head of COFTRA.

**Article 63**

Futures Advisor shall have at least 3 (three) Representatives of Futures Advisors.

**Article 64**

(1) Futures Advisor shall not be controlled directly or indirectly by an individual who

a. is incapable to do legal actions;

b. has been declared bankrupt and being a director or commissioners stated guilty for causing a company to be declared bankrupt over the last 5 (five) years;

c. has been sentenced for proven economic and financial crimes;

d. has never sentenced for more than 5 (five) years;

e. has no good characters and morality;

f. has no sufficient knowledge about futures trading.

(2) Futures Advisor shall report any party controlling the company either directly or indirectly to Head of COFTRA.

**Article 65**

(1) Futures Advisor may open branch offices upon an approval of Head of COFTRA;
(2) The approval for opining a branch office as referred to in paragraph (1) shall be given upon fulfillsments of the following requirements:

a. Having business plans in the form of a business activity plans;

b. Having Representatives of Futures Broker Having sufficient facilities and infrastructures.

(3) The opening of a branch office as referred to in (1) shall be reported to Head of COFTRA by filling out the form stipulated by the Regulation of Head of COFTRA.

**Article 66**

(1) Head of COFTRA shall approve or reject the application submitted to get a business license of Futures Advisor within 32 (thirty two) working days since the application is received completely.

(2) A license of Representatives of Futures Broker shall be effective as long as the Futures Advisor remains active in conducting its businesses.

**Article 67**

Further provisions on procedure for granting a license for Futures Advisor shall be regulated in a regulation of Head of COFTRA.
Paragraph 2

Representative of Futures Advisors

Article 68

The activities of Representatives of Futures Advisor can be only performed after a license from Head of COFTRA has been issued.

Article 69

License as Repetitive of Futures Advisor shall be granted to an individual having expertise in analyses of Futures Trading.

Article 70

(1) The Application to secure a license as Representatives of Futures Advisor shall be submitted to Head of COFTRA, supplied with the following documents:
   a. Formal education diplomas;
   b. Graduation certificate of a test held by Head of COFTRA

(2) The application as referred to in paragraph (1) shall use the form already determined by Head of COFTRA.

Article 71

(1) Head of COFTRA shall approve or reject the application submitted to get a business license of Futures Advisor within 32 (thirty two) working days since the application is received completely.
(2) A license of Futures Advisor shall be effective as long as the Futures Advisor remains active in conducting its businesses.

Article 72

Further provisions on procedure for granting a license for Representatives of Futures Advisor shall be regulated in a regulation of Head of COFTRA.

Part Three

Futures Traders

Article 73

(1) Business activities as Futures Traders can be performed only by Members of Futures Exchange, both individuals and business entities, domiciled in the country or overseas, who have secured a registration certificate as Futures Traders from Head of COFTRA.

(2) The registration certificate as referred to in paragraph (1) shall be granted by Head of COFTRA to a Party having financial integrity, good business reputation, and professional capabilities.

Article 74

(3) Futures Brokerage shall fulfill the capital requirements.
(4) Further provisions on capitals as referred to in Paragraph (1) shall be stipulated in the Regulation of Head of COFTRA.

**Article 75**

(1) The application for a registration certificate of Futures Traders shall be submitted to Head of COFTRA supplied with required documents.

(2) In case the application is submitted by individuals, the application shall be submitted to Head of COFTRA, supplied with required documents as referred to in paragraph (1) which consist at least of:

   a. Membership identity of Futures Exchange
   b. Taxpayer Identification Number (TIN)
   c. Expertise Certificates

(3) In case the application is submitted by a business entity, the application shall be submitted to Head of COFTRA, supplied with required documents as referred to in paragraph (1) which consist at least of:

   a. Membership identity of Futures Exchange
   b. Taxpayer Identification Number (TIN)
   c. Lists of experts proven by training certificates in the field of futures trading.
(4) The application as referred to in paragraph (1) shall be submitted by using the forms stipulated and provided by Head of COFTRA.

Article 76

(1) Futures Traders shall not be controlled directly or indirectly by an individual who

a. is incapable to do legal actions;

b. has been declared bankrupt and being a director or commissioners stated guilty for causing a company to be declared bankrupt over the last 5 (five) years;

c. has been sentenced for proven economic and financial crimes;

d. has never sentenced for more than 5 (five) years;

e. has no good characters and morality;

f. has no sufficient knowledge about futures trading.

(2) Futures Traders shall report any party controlling the company either directly or indirectly to Head of COFTRA.

Article 77

(1) Head of COFTRA shall approve or reject the application submitted to get a business license of Futures Traders
within 32 (thirty two) working days since the application is received completely.

(2) A license of Futures Traders shall be effective as long as the futures exchange remains active in conducting its businesses.

Article 59

Further provisions on procedure for granting a license for Futures Traders shall be regulated in a regulation of Head of COFTRA.

Part Four

Operator of Alternative Trading System

Article 79

Activities of Operation of Alternative Trading System can be performed only by Futures Traders having secured an approval of Head of COFTRA.

Article 80

(1) Operation of Alternative Trading System shall fulfill the capital requirements.

(2) Further provisions on capitals as referred to in Paragraph (1) shall be stipulated in the Regulation of Head of COFTRA.

Article 81
(1) The application for an approval to be an Operator of Alternative Trading System shall submitted to Head of COFTRA, supplied with the following documents:

a. Taxpayer Identification Number (TIN);

b. Registration Certificate of Futures Traders

c. Membership certificate of Futures Exchange;

d. Membership certificate of Futures Clearing House;

e. Financial report on capital balance which has been audited by a Public Accountant;

f. A written statement on readiness of facilities and system to support trades regularly, reasonably, efficiently, effectively, and transparently; and

g. A cooperation agreement with Futures Broker, Members of Futures Clearing House and Participants of Alternative Trading System.

(2) The application as referred to in paragraph (1) shall be submitted by using the form provided and stipulated by Head of COFTRA.

Article 82

(3) Head of COFTRA shall approve or reject the application submitted by any party to get an approval to be an Operator of Alternative Trading System within 32 (thirty
two) working days since the application is received completely.

(4) An approval to be an Operator of Alternative Trading System shall be effective as long as the Operator of Alternative Trading System remains active in conducting its businesses.

**Article 83**

Further provisions on approval to be an Operator of Alternative Trading System shall be regulated in a regulation of Head of COFTRA.

**Part Five**

**Participants of Alternative Trading System**

**Article 84**

Activities of Participants of Alternative Trading System can be performed only by Futures Traders being Members Futures Clearing having secured an approval of Head of COFTRA.

**Article 85**

(3) Participants of Alternative Trading System shall fulfill the capital requirements.

(4) Further provisions on capitals as referred to in Paragraph (1) shall be stipulated in the Regulation of Head of COFTRA.

**Article 86**
(1) The application for an approval to be a Participant of Alternative Trading System shall submitted to Head of COFTRA, supplied with the following documents:

a. Taxpayer Identification Number (TIN);

b. Business License of Futures Broker

c. Membership certificate of Futures Exchange;

d. Membership certificate of Futures Clearing House;

e. Financial report on capital balance which has been audited by a Public Accountant;

f. A written statement on readiness of facilities and system to support trades regularly, reasonably, efficiently, effectively, and transparently; and

g. A cooperation agreement with Futures Broker, Members of Futures Clearing and Participants of Alternative Trading System.

(2) The application as referred to in paragraph (1) shall be submitted by using the form provided and stipulated by Head of COFTRA.

Article 87

(5) Head of COFTRA shall approve or reject the application submitted by any party to get an approval to be as Participant of Alternative Trading System within 32
(thirty two) working days since the application is received completely.

(6) An approval to be an Operator of Alternative Trading System shall be effective as long as the Participant of Alternative Trading System remains active in conducting its businesses.

Article 88

Further provisions on approval to be a Participant of Alternative Trading System shall be regulated in a regulation of Head of COFTRA.

CHAPTER V

FUTURES MUTUAL FUNDS, MANAGER OF FUTURES MUTUAL FUNDS, AND REPRESENTATIVES OF FUTURES MUTUAL FUNDS

Part One

Futures Mutual Fund

Article 89

(1) Future Mutual Fund is established under a contract between operator of Future Mutual Fund and a custodian bank of Future Mutual Fund.

(2) Contract of establishment of Future Mutual Fund as referred to in paragraph (1) shall be subject to an approval of Head of COFTRA.
(3) Contract of establishment of Future Mutual Fund as referred to in paragraph (1) shall bind all participants of Future Mutual Fund.

**Article 90**

A contract on establishment of Future Mutual Fund as referred to in Article 89 shall contain the followings:

a. name and address of Futures Mutual Fund Manager;

b. name and address of Custodian Bank of Futures Mutual Fund;

c. rights and obligations of Futures Mutual Fund Manager including the obligation to include any amount of funds to the Futures Mutual Fund;

d. rights and obligations of Custodian Bank of Futures Mutual Fund;

e. rights and obligations of participants of Futures Mutual Fund;

f. business plan including investment policy objectives and directions;

g. the amount of benefits to be collected;

h. fees charged;

i. a statement of good faith and responsibility of the Management of Futures Mutual Fund and Bank Custodian of Futures Mutual Fund that the performances of their duties
are solely for the benefits of participants of Futures Mutual Fund;
j. circumstances that allow Futures Mutual Fund Manager to postpone or reject the redemption of the Participation Certificate;
k. settlement of disputes arising between the Parties involved in activities of a Futures Mutual Fund; and
l. circumstances that require Futures Mutual Fund Manager to stop the activities of Futures Mutual Fund.

**Article 91**

(1) The application for an approval for establishment of Future Mutual Fund as referred to in paragraph (2) of Article 89 shall submitted to Head of COFTRA with the following documents:

a. Business License of Future Mutual Fund

b. An approval from a Custodian Bank of Future Mutual Fund issued by Head of COFTRA

c. Business plan and 3 (three)-year financial projection;

d. Permit of Representative of Future Mutual Fund Manager; and

e. Prospectus used in investment bid of Future Mutual Fund
(2) The application as referred to in paragraph (1) shall be submitted by using the forms provided and stipulated by Head of COFTRA.

**Article 92**

Further provisions on procedures and requirement to grant an approval for establishment of Future Mutual Fund shall be regulated in a regulation of Head of COFTRA.

**Part Two**

**Futures Mutual Fund Manager**

**Article 93**

Activities of Future Mutual Fund Manager can be performed only by a limited liability company which has secured a business license from Head of COFTRA.

**Article 94**

(1) Future Mutual Fund Manager shall fulfill the capital requirements.

(2) The provisions on capitals as referred to in Paragraph (1) shall be stipulated in the Regulation of Head of COFTRA.

**Article 95**
(1) The application to secure a business license as Future Mutual Fund Manager shall submitted to Head of COFTRA with the following documents:

a. Copy of establishment deed of the Limited Liability Company which has been legalized by the Minister responsible for governmental affairs in laws;

b. List of shareholders;

c. List of company controller;

d. Taxpayer Identification Number of the Limited Liability Company;

e. List of candidates commissioners and directors; and

f. List of potential experts who will act as Representatives of Future Mutual Fund Manager upon a prior consent from Head of COFTRA.

(2) The application as referred to in paragraph (1) shall be submitted by using the forms provided and stipulated by Head of COFTRA.

Article 96

Future Mutual Fund Manager shall have at least 5 (five) Representative of Future Mutual Fund Manager one of whom shall hold the position of director.

Article 97
(1) Future Mutual Fund Manager shall not be controlled directly or indirectly by an individual who
a. is incapable to do legal actions;
b. has been declared bankrupt and being a director or commissioners stated guilty for causing a company to be declared bankrupt over the last 5 (five) years;
c. has been sentenced for proven economic and financial crimes;
d. has never sentenced for more than 5 (five) years;
e. has no good characters and morality;
f. has no sufficient knowledge about futures trading.

(2) Future Mutual Fund Manager shall report any party controlling the company either directly or indirectly to Head of COFTRA.

Article 98

(1) Future Mutual Fund Manager may invest the funds it has collected from people in Futures Contracts, and/or Commodities being a subject of a Futures Contract and/or any other instrument stipulated in the Regulation of Head of COFTRA.

(2) Further Provisions on investments as referred to in paragraph (1) shall be stipulated in the Regulation of Head of COFTRA.

Article 99
(1) Head of COFTRA shall approve or reject the application submitted by any Party to get a business license to be Future Mutual Fund Manager within 32 (thirty two) working days since the application is received completely.

(2) A license of Future Mutual Fund Manager shall be effective as long as the Future Mutual Fund Manager remains active in conducting its businesses.

Article 100

Further provisions on the requirements and procedure for granting a business license for Future Mutual Fund Manager shall be regulated in a regulation of Head of COFTRA.

Part Two

Representative of Futures Mutual Fund Manager

Article 101

The license to be Representatives of Future Mutual Fund Management shall be granted only to individuals having expertise in management of Future Mutual Fund

Article 102

(1) The Application to secure a license as Representatives of Future Mutual Fund Manager shall be submitted to Head of COFTRA, supplied with the following documents:

a. Formal education diplomas;
b. Graduation certificate of a profesional test as Representatives of Future Mutual Fund Management held by Head of COFTRA

c. Recommendation from the relevant Future Mutual Fund Manager

(2) The application as referred to in paragraph (1) shall use the form already determined and stipulated by Head of COFTRA.

**Article 103**

(1) Head of COFTRA shall approve or reject the application submitted to get a business license of Representatives of Future Mutual Fund Manager within 32 (thirty two) working days since the application is received completely.

(2) A license of Representatives of Future Mutual Fund Manager shall be effective as long as the Representatives of Future Mutual Fund Manager remains active in conducting its businesses.

**Article 104**

Further provisions on procedure for granting a license for Representatives of Future Mutual Fund Manager shall be regulated in a regulation of Head of COFTRA.
CHAPTER VI

COMPENSATION FUND

Part One

Compensation Fund Collection

Article 105

(1) Compensation Fund shall be collected by Futures Exchange.

(2) Compensation fund as referred to in shall come from:

a. Cash contribution of each member of Futures Exchange in its capacity as Futures Broker; and

b. Other legal sources as approved by Head of COFTRA.

(3) The minimum amount of Compensation Fund which shall be collected and amount of contribution of Futures Broker as referred to in point a of paragraph (2) shall be stipulated by Futures Exchange upon a consent of Head of COFTRA.

(4) Other legal sources as referred to in point b of paragraph (2) shall be collected from:

a. part of the information service cost related to trading under Futures Contracts, Sharia Derivative Contracts, and/or any other Derivative Contracts.

b. part of the information service cost related to transactions under Futures Contracts, Sharia
Derivative Contracts, and/or any other Derivative Contracts.

c. part of the information service cost set aside for Compensation Fund and/or proceedings obtained from the Compensation Fund.

(5) The amount of fee charged to the activities as referred to in points a and b of paragraph (4) shall be subject to an approval of COFTRA.

(6) Compensation Funds shall be deposited to Futures Exchange upon submission of an application to be a Member of Futures exchange in its capacity as Futures Broker.

Part Two

Compensation Fund Storage

Article 106

(1) Compensation Funds shall be stored in an account specially opened to keep the Compensation Fund in a Bank approved by Head of COFTRA.

(2) Bookkeeping of Compensation Funds shall be separated from bookkeeping of Futures Exchange.

(3) Financial Report of Compensation Funds shall be checked and audited by a Public Accountant.

(4) Futures exchange shall deliver financial reports of the Compensation Fund as referred to in paragraph (3) to Head
of COFTRA no later than 3 (three) months upon the end of the relevant fiscal year.

Part Three

Utilization of Compensation Fund

Article 107

(1) Compensation Fund shall be used to pay compensations to Customers due to defaults of Futures Broker.

(2) Compensation as referred to in paragraph (1) shall be paid at the value of the relevant damages.

Article 108

(1) Customers may demand for compensations to Futures Exchange for defaults of Futures Broker.

(2) Compensation demand to Futures Exchange as referred to in paragraph (1) can be fulfilled in case the following requirements are fulfilled:

a. The relevant customers have made maximum effort to demand the compensation to Futures Broker making default.

b. The relevant customers have given hard evidence that the damages they suffered are due to defaults of the Futures Broker mandated by the customers.

c. The amount of money is the actual damages.
Article 109

(1) Futures Exchange shall maintain the minimum amount of Compensation Funds which should be available.

(2) The amount of compensation fund which shall be available for compensation shall be determined by Futures Exchange upon consent of Head of COFTRA.

Article 110

(1) Futures Exchange shall establish a special unit to collect and to use Compensation Funds.

(2) The Special Fund as referred to in paragraph (1) shall be reported to Futures Exchange.

Article 111

Further provisions on procedures for using Compensation Funds shall be stipulated by the Regulation of Head of COFTRA.

CHAPTER VII

FUND DEPOSITORY BANKS

Article 112

(1) Every Customer Fund, Compensation Fund, guarantee fund, and Futures Mutual Fund fund shall be deposited in an account separated from the account of the institution depositing the fund in a public bank with status of foreign exchange bank.
(2) The banks as referred to in paragraph (1) shall maintain Customer Fund, Compensation Fund, guarantee fund, and Futures Mutual Fund upon an approval from Head of COFTRA.

**Article 113**

To obtain an approval as referred to in paragraph (2) of Article 112, the bank shall submit an application to Head of COFTRA, including the following documents:

a. Articles of Association;

b. Taxpayer Identification Number (TIN);

c. Business License as a public bank with foreign exchange bank status;

d. The last 3 (three) year financial reports which have been audited by a public accountant;

e. Manual books for fund depository activities in a separated account which shall be made by the bank; and

f. Recommendation from Bank Indonesia.

**Article 114**

(1) Head of COFTRA shall approve or reject the application submitted by any party to get an approval for any bank for which will carry out depositing activities of Customer Fund, Compensation Fund, guarantee fund, and/or Futures Mutual Fund fund no later than 32 (thirty two)
working days since the application is received completely.

(2) The approval for any bank which will carry out depositing activities of Customer Fund, Compensation Fund, guarantee fund, and/or Futures Mutual Fund fund shall be effective as long as the bank which will carry out depositing activities of Customer Fund, Compensation Fund, guarantee fund, and/or Futures Mutual Fund fund remains active in conducting its businesses.

Article 115

Further provisions on procedure for granting an approval on banks which will carry out depositing activities of Customer Fund, Compensation Fund, guarantee fund, and/or Futures Mutual Fund fund and the procedure for depositing fund in a separated account shall be regulated in a regulation of Head of COFTRA.

CHAPTER VIII

DISTRIBUTION OF CUSTOMERS’ MANDATE TO OVERSEAS FUTURES EXCHANGE

Article 116

(1) Distribution of Customers’ mandates to overseas Futures Exchange can be performed only by Futures Broker.
(2) Futures Broker which can distribute Customers' mandates to overseas Futures Exchange as referred to in paragraph (1) shall obtain an approval from Head of COFTRA.

(3) In order to get an approval as referred to in paragraph (1), Futures Broker shall:

a. Deposit guarantee funds as stipulated by Head of COFTRA;

b. Have Representatives of Futures Broker mastering or understanding rules and regulations of Futures Exchange as well as Futures contracts and/or any other Derivative Contracts traded at Futures Exchange proven by a certificate;

c. enclose Business License as Futures Exchange from COFTRA;

d. enclose an agreement letter between the applicant and Futures Exchange being a Member of the relevant overseas Futures Clearing; and

e. enclose list of Futures contracts and/or any other Derivative Contracts which will be traded according to the list stipulated by Head of COFTRA.

Article 117

(1) Guarantee funds as referred to in point a of paragraph (3) of Article 116 shall be used to pay the obligation of
Futures Broker to customers which cannot be paid or settled.

(2) Guarantee funds as referred to in point a of paragraph (3) of Article 116 shall be returned to Futures Broker if it stop distribution of Customers’ mandates to overseas Futures Broker.

Article 118

(1) Head of COFTRA determines the list of:

a. Overseas Futures Exchange; and

b. Futures Contracts and/or Other Derivative Contracts which can be distributed to overseas Futures Exchange.

(2) In determining the lists as referred to in paragraph (1), COFTRA conducts a research of overseas Futures Exchange and Futures Contracts and/or other Derivative Contracts traded in overseas Futures Exchange.

(3) In determining the list as referred to in paragraph (1), COFTRA takes the followings into account:

a. Rules and regulations of overseas Futures Exchange which provides the same protection for domestic and overseas Customers;

b. The requirements and liquidation of Futures Contracts and/or other Derivative Contracts traded in overseas Futures Exchange; and
c. Futures Contracts and/or other Derivative Contracts as referred to in point have benefits for the Indonesian economy.

Article 119

Head of COFTRA shall approve or reject the application submitted by any Parties to get an approval for Futures Exchange conducting Distribution of Customers’ mandates to overseas Futures Exchange no latest than 32 (thirty two) working days since the application is received completely.

Article 120

Further provisions on procedure for granting an approval to Futures Exchange conducting Distribution of Customers’ mandates to overseas Futures Exchange, the requirements and procedure for distributing Customers’ mandates and guarantee fund and determining list of Futures Exchange as well as Futures Contracts and/or other Derivative Contracts which can be distributed to overseas Futures Exchange shall be regulated in a regulation of head of COFTRA.

CHAPTER IX

BOOKKEEPING AND REPORTING

Article 121

Holder of business licenses of Futures Exchange, Futures Clearing House, Futures Broker, Futures Advisor, and Futures
Mutual Fund Manager, representatives of Futures Exchange, representatives of Futures Clearing House, representatives of Futures Broker, representatives of Futures Advisor, and representatives of Futures Mutual Fund Manager, registration certificate of Futures Traders, and approval for Futures Broker to distribute Customers' mandates to overseas Futures Exchange, Operators of Alternative Trading Systems, Participants of Alternative Trading Systems, and bank approval shall report their business condition and development in every fiscal year to Head of COFTRA by using the forms determined and stipulated in accordance with Regulations of Head of COFTRA.

**Article 122**

(1) Futures Exchange, Futures Clearing House, Futures Broker, Futures Advisor, and Futures Mutual Fund Manager shall prepare, keep, and maintain records of:

a. organization, personnel and written documents on policies, procedures, and working system;

b. financial condition, wealth, financial obligation, and profit/loss calculation;

c. data of membership, Customers, clients, or participants of Futures Clearing House; and

d. operation of their daily business completely and systematically.
(2) Records as referred to in paragraph (1) shall be data of daily transaction at Futures Exchanges and completion of transactions by Futures Clearing House as well as balance and profit/loss reports shall be published within certain times.

(3) Records as referred to in paragraph (1) shall be reported to Head of COFTRA.

(4) Further provisions on records, publication and reporting as referred to in paragraphs (1), (2), and (3) shall be regulated in the Regulation of Head of COFTRA.

Article 123

(1) Futures Exchange shall prepare, keep, and maintain records of transaction under Futures Contracts, Sharia Derivative Contracts, and/or other Derivative Contracts and option at Futures Exchange.

(2) Records as referred to in paragraph (1) shall at least contain the following information:

a. Dates and times of transactions;

b. Number of transactions;

c. Types of Futures Contracts, Sharia Derivative Contracts, and/or other Derivative Contracts or Option;

d. Prices or premium;
e. Maturity for delivery month;

f. Transaction of sale or purchase Option;

g. Ceiling prices; and

h. Names of those making transactions

(3) Records as referred to in paragraph (2) shall be reported to Head of COFTRA before the trading hours start on the following day.

(4) Further provisions on forms of report as referred to in paragraph (3) shall be stipulated in accordance with Regulation of Head of COFTRA.

**Article 124**

(1) Futures Exchange shall publicize everyday the following information

a. Trade volumes, numbers of transactions of Futures Contracts, Sharia Derivative Contracts, and/or other Derivative Contracts completed in cash, number of open Futures Contracts, number open Futures Contracts which has been decided to be closed by delivering the goods, and the number of Options which have been completed; and

b. Prices on the bookkeeping and closing periods, selling prices, or the lowest offer, purchase prices, or the highest demands, the highest and the lowest transaction prices, and settlement prices.
(1) Further provisions on forms of publication as referred to in paragraph (1) shall be stipulate in accordance with Regulation of Head of COFTRA.

**Article 125**

(1) Futures Clearing House shall prepare, keep, and maintain transaction records of Futures Contracts, Sharia Derivative Contracts, and/or other Derivative Contracts at Futures Exchange and/or Alternative Trading Systems.

(2) Records as referred to in paragraph (1) shall at least contain the following information:

a. Dates of transactions;

b. Times of transactions;

c. Number of transactions;

d. Delivery month or maturity date;

e. Transactions of Option;

(3) Records as referred to in paragraph (2) shall be reported to Head of COFTRA before the trading hours start on the following day.

(4) Further provisions on forms of report as referred to in paragraph (3) shall be stipulated in accordance with Regulation of Head of COFTRA.
Article 126

Futures Clearing House shall prepare, keep, and maintain records on:

a. Date of receipts and returns of Margins in the forms of money or commercial papers.

b. Identities of the institution where the Margin is stored separately; and

c. Margin disbursement in the form commercial papers as referred to in point a shall be supplied with reasons on facts and condition causing the disbursement and the authority to disburse.

Article 127

(1) Futures Exchange and Futures Traders shall prepare, keep, and maintain:

a. All financial records and bookkeeping made correctly and in accordance with the generally acceptable principles and make them available at any time for audits; and

b. Transactions records, including all cards, memos, or records related to transaction activities of Futures Contracts, Sharia Derivative Contracts, and/or other Derivative Contracts, Option and Commodities in physical markets.
(2) Records, financial bookkeeping, and transaction records as referred to in paragraph (1) shall be at any time available for audit.

(3) Records as referred to in paragraph (1) shall include:
   a. All orders whose transactions have been completed, have not been completed, or have been canceled;
   b. Transaction cards;
   c. Signature cards;
   d. Transaction books;
   e. Journal;
   f. Cash books;
   g. Canceled cheque;
   h. Copies of confirmations;
   i. Copies of sale-purchase statements;
   j. Documents of Mandate Granting Agreement;
   k. Documents of Risk Notification; and
   l. Other records made for transaction of Futures Contracts, Sharia Derivative Contracts, and/or other Derivative Contracts, Option and Commodities in physical markets.

(4) For Option transaction the following information shall be recorded:
a. Transaction tomes;
b. Sale and purchase Option transactions;
c. Maturity dates;
d. Number of transactions;
e. Types of Option; and
f. Ceiling prices, premium, commission, and other costs.

Article 128

(1) Futures Exchange which receives a mandate shall prepare, keep, and maintain records of names of the Parties giving the mandates, account number, and data of mandate in mandate cards.

(2) Mandate cards as referred to in paragraph (1) shall be mention the receipt time by using a time recording tool or machine.

Article 129

(1) Futures Broker shall prepare, keep, and maintain a separated financial record for each customer which shall inform incoming and outgoing money and all transactions under Futures Contracts, Sharia Derivative Contracts, and/or other Derivative Contracts in a domestic and/or overseas Futures Exchange which shall include time, prices, number of transactions, and type of commodities.
(2) Futures Exchange shall deliver confirmation on financial positions of Customers, which shall include various costs for transactions and services to Customers every day not later than the following working day.

(3) Futures exchange shall make confirmation at least 1 (once) in a month to Customers on the open position of Futures Contracts, Sharia Derivative Contracts and/or other Derivative Contracts and actual prices, unrealized net profit and loss, all customers' funds, and cost charged to the Customers' accounts.

Article 130

(1) Futures Exchange shall prepare financial reports including calculation of net capital adjusted every 1 (one) month, 3 (three) months, and 1 (one) year according to the report form stipulated by Head of COFTRA.

(2) Monthly financial reports as referred to in paragraph (1) shall be submitted to Head of COFTRA no later than 7 (seven) days after the date of the reporting period ends.

(3) Quarterly financial reports as referred to in paragraph (1) shall be submitted to Head of COFTRA no later than 45 (forty five) days after the date of the reporting period ends.

(4) Annual financial reports as referred to in paragraph (1) shall be audited by a Public Accountant and submitted to
Head of COFTRA no later than 90 (ninety) days after the date of the reporting period ends

**Article 131**

(1) Director of Compliance of Futures Exchange shall prepare monthly reports;

(2) Monthly reports as referred to in paragraph (1) shall be delivered to Head of COFTRA no later than 7 (seven) days after the date of the reporting period ends.

(3) Further provisions on forms and procedures for preparing monthly reports as referred to in paragraph (1) shall be stipulated in the Regulation of Head of COFTRA.

**Article 132**

(1) Futures Broker shall report to Head of COFTRA the following conditions:

a. Futures Broker company shall start, temporarily stop, reopen, or permanently stops its activities;

b. Related Futures Broker company or one of the commissioners, directors, managers, or Representatives of Futures Broker is in a legal process in a court, punished due to proven crimes in economy or finance or declared bankrupt by a court or committing a violation in banking or in the debt settlement process with a third party.
c. Futures Broker company is managing affairs beyond its authority;

d. There are company or employment managements of Futures Broker which are infeasible for Futures Trading due to dishonesty or unfairness;

e. There are managements of Futures Broker which violate laws and regulations in Futures Trading;

f. There are share ownership changes in Futures Broker which exceed 10% (ten percent) of the paid-up shares;

g. Failure to meet the net capital limit as stipulated in the laws and regulation in Futures Trading; and

h. Transaction volume of the Futures Broker company for Customers has reached the obligatorily reported amount of the open position of Futures Contracts, Sharia Derivative Contracts, and/or other Derivative Contracts as stipulated in laws and regulations in Futures Trading.

(2) In case Futures Broker recognizes conditions as referred to in paragraph (1):

a. Points a to e, the Futures Traders shall report to Head of COFTRA no later than 5 (five) days as of the date the conditions are recognized;
b. Point f, the Futures Traders shall report to Head of COFTRA no later than 15 (fifteen) as of the share ownership changes;

c. Points g to h, the Futures Broker shall report no later than the trading hours is started on the following day to Head of COFTRA.

**Article 133**

(1) Alternative Trading System Managers shall prepare, keep, and maintain all records of transaction and financial activities correctly and in accordance with the prevailing accountancy principles and make them available for audit at any time.

(2) Records of transaction and financial activities as referred to in paragraph (1) shall be reported to Head of COFTRA.

**Article 134**

(1) Futures Advisor shall prepare, keep, and maintain all activity records correctly and make them available for audit at any time.

(2) The records as referred to in paragraph (1) shall include:

a. Data and information of all clients;

b. All official documents and other information;
c. Clients' acknowledgment that they have understood the content of the Information Documents of the Company;

d. All written agreements including Risk Presence Notification Documents;

e. All originals of reports, letters, circulars, publications, writings, and advertisements distributed to clients all of which are listed according to the dates mentioned in the documents;

f. Other books and records related to transactions of Futures Contracts, Sharia Derivative Contracts and/or other Derivative Contracts as well as transactions made in physical markets by the principal.

(3) Records as referred to in paragraph (2) shall be reported to Head of COFTRA.

(4) Further provisions on reporting forms as referred to in paragraph (3) shall be stipulated in accordance with the Regulation of Head of COFTRA.

**Article 135**

(1) Futures Mutual Fund Manager shall prepare, keep, and maintain all activity records correctly in accordance with generally acceptable accounting principles and make them available for audit at any time.
(2) The records as referred to in paragraph (1) shall include:

a. Daily records of transactions made by Futures Mutual Fund Manager which include transaction dates, number, types of Futures Contracts, Sharia Derivative Contracts, and/or other Derivative Contracts, prices, delivery months, sale and purchase, Futures Broker managing accounts, Futures Advisor, as well as profit and loss;

b. Other bookkeeping and records showing money receipts and expenses, commercial papers, or other wealth;

c. Clients’ acknowledgment that they have understood the content of the Information Documents of the Company;

d. Cash book and other records showing names and address of participants of Futures Mutual Fund as well as fund received and distributed to each members of Futures Mutual Fund;

e. Copies of transaction confirmation and monthly reports of Futures Broker and/or other doers for each Futures Mutual Fund;

f. Canceled cheque, bank reports, journals, cash books, payment receipts, computer data, other data, and memos made or received related to activities of Futures Mutual Fund;
g. All originals of reports, letters, circulars, memos, publications, writings, and advertisements distributed to clients all of which are listed according to the dates mentioned in the documents;

h. Other books and records related to transactions of Futures Contracts, Sharia Derivative Contracts and/or other Derivative Contracts as well as transactions made in physical markets by the principal.

(3) Futures Mutual Fund Manager shall deliver financial reports of Futures Mutual Fund made in accordance with generally acceptable accounting principles to participants of Futures Mutual Fund no later than 30 (thirty) days after the end of the relevant month.

Article 136

(1) Every Futures Traders controlling or having position in a number exceeding the obligatorily reported limit shall deliver a report to Head of COFTRA no later than the trading hour is started on the following days after knowing or receiving a notification of the position.

(2) The report as referred to in paragraph (1) shall be submitted to Futures Traders controlling or having positions at or exceeding the level require to report.
(3) Further provisions on report forms as referred to in paragraph (2) shall be determined and stipulated in accordance with the Regulation of Head of COFTRA.

Article 137

Further provisions on procedures for bookkeeping and reporting and forms of reports shall be stipulated by the Regulation of Head of COFTRA.

CHAPTER X

OPERATION OF FUTURES TRADING

Part One

Codes of Conducts of Futures Brokers

Article 138

Futures Broker shall maintain net capital as stipulated by the Regulation of Head of COFTRA.

Article 139

(1) Futures Broker shall know and have the data and information on its Customers which shall include:

a. Name, position, and address;

b. Occupation and age;

c. Financial capacity;

d. Knowledge about Futures Trading;
e. Reasons to open an account of Futures Trading; and

f. Other necessary information

(2) Data and information as referred to in paragraph (1) shall be confidential by nature except they are required for examinations and investigation or upon a prior written approval of the Customers.

Article 140

(1) Futures Broker shall not open the account and/or receive Customers’ mandates for Futures Trading from any party that:

a. is incapable to do legal actions;

b. has been declared bankrupt by a court within the last 5 (five) years;

c. has reached the allowed position limit for transaction increase or opening account in other Futures Broker

d. is officer or employee of COFTRA, Futures Exchange, or Futures Clearing House and/or other parties stipulated by a decree of Head of COFTRA;

e. is a treasurer serving public services except when he/she is authorized by the relevant institution;

f. has insufficient financial condition as required by Head of COFTRA’ or
g. has been declared to have violated laws and regulation on futures trading based on a decision of a court or arbitration or Head of COFTRA; or

h. has been default in meeting the obligation to pay the Margin for 1 (one) year.

(2) Futures Broker shall:

a. Refuse new mandates from customers that have opened accounts of Futures Trading included in the category as referred to in paragraph (1) except to liquidate open position;

b. close accounts of Customers included in the category as referred to in paragraph (1) after all obligations are completed; and

c. notify Futures Exchange on the closure of the accounts as referred to in paragraph point b to be immediately informed to other Members of Futures Exchange.

**Article 141**

(1) Futures Broker shall not open or has an account in any other Futures Broker;

(2) Employees of Futures Broker and the wives or husbands who want to take part in Futures Trading shall only open an account in the name of their own at the relevant Futures Broker.
Article 142

(1) Before opening Customers' accounts for Futures Contracts, Sharia Derivative Contracts, and/or any other Derivative Contracts, Futures Broker shall:

a. notify and explains information about the company as provided in the Document of Information of the Company, the risks faced in Futures Trading as provided in the Document of Risk Presence Notification, and the content of Mandate Agreement the forms and substances of which are stipulated by Regulation of Head of COFTRA;

b. Provide information which is clear and not misleading about Futures Trading procedures;

c. Explain the content of Futures Contracts, Sharia Derivative Contracts and/or other Derivative Contracts which will be transacted by Customers;

d. Receive documents as referred to in point a which have been signed and to which Customer has affixed the date as an evidence that they have understood and agree the document content and the transaction procedures for Futures Contracts, Sharia Derivative Contracts, and/or any other Derivative Contracts;
e. Immediately notify all Customers in case of any change to the prevailing regulations; and

f. Examine all information given by Customers in the application of account opening.

(2) In case Customer admission is made online, Futures Broker shall be exempted from the obligation as referred to in point a, c, and d of paragraph (1).

Article 143

(1) Futures Broker shall not receive Customers’ mandates when it has not received any sufficient margin to carry out certain Futures Contracts, Sharia Derivative Contracts, and/or any other Derivative Contracts, except the mandate for liquidation.

(2) If an amount of Margin needs addition, the Futures Broker shall notify the Customers to increase the Margin within a certain period of time under the Agreement.

(3) If financial condition of a Customer as referred to in point ca of paragraph (1) of Article 139 is not sufficient to perform its obligation in transactions of Futures Contracts, Sharia Derivative Contracts, and/or any other Derivative Contracts, Futures Broker shall reject the mandate of the relevant Customers.

(4) In case of failure to perform the obligation to increase the Margin, Futures Broker shall reserve the right to
liquidate positions of Futures Contracts, Sharia Derivative Contracts, and/or any other Derivative Contracts of the relevant customer without prior notification.

**Article 144**

(1) Anytime receiving a mandate from a Customer to carry out a transaction charged to the account of the relevant Customer, Futures Broker shall record it in the electronic recording system.

(2) If Customers' mandates as referred to in paragraph (1) are delivered via phone, the order and the conversation shall be recorded.

(3) Futures Broker shall ask the Customers for confirmation on the transactions in case the transaction is delivered indirectly by Customers.

(4) If the transactions have been completed, Futures Broker shall notify the relevant Customers no later than 2 (two) working days.

(5) Futures Broker shall inform Head of COFTRA the calculation formula for the transaction or service costs that should be paid by the Customers for references.

**Article 145**

(1) Futures Broker shall place Customers' funds in separated accounts in banks already approved by Head of COFTRA and
prepare bookkeeping according to generally acceptable accounting systems to recognize the amounts of fund of each Customer easily.

(2) In case a Customer does not make any transaction within 1 (one) year, the account of the relevant Customer shall be closed and the account number shall not be used again.

(3) In case a Customer’s account is closed as referred to in paragraph (2), Futures Broker has the right to withdraw the funds which remain available in the account for administration cost after the Customers is called.

**Article 146**

In performing Customers' transactions, Futures Broker shall not:

a. Conceal or change information on Futures Trading;

b. Suggest to buy or to sell a certain type of Futures Contracts, Sharia Derivative Contracts, and/or any other Derivative Contracts or give a judgment on any increase or decrease without correct calculations so that Customers make transactions;

c. Leak confidential information on Customers' mandates or any other business secrets obtained form any transaction;

d. Misuse Customers’ funds;

e. Provide incorrect answers for any question from Customers, causing disadvantages to the Customers;
f. illegally make, keep, report, and publicize its activities or make incorrect statements in accounts, financial reports, and other documents required by laws and regulations;

g. fail to deliver reports as required by laws and regulations;

h. provide loans or lend the moneys of Customers or act as a middlemen for its Customers to lend or to borrow money from other parties;

i. make mistakes in recording a transaction;

j. make transactions exceeding the limit already stipulated;

k. make transactions for its Customers without any order from the relevant Customers;

l. fail to distribute Customers' mandates to Futures Exchange in with the Customers' orders;

m. fail to report Customers' mandates to Futures Exchange and to register them at Futures Clearing House;

n. receive any mandate from Customers to carry out transaction on behalf of the relevant Customers unless under certain circumstances stipulated by Head of COFTRA; or

o. violate other provisions stipulated in laws and regulations.
Article 147

Further provisions on Codes of Conducts of Futures Broker shall be stipulated in the Regulation of Head of COFTRA.

Part Two

Codes of Conducts of Futures Advisors

Article 148

(1) Futures Advisor shall not collect or receive on his/her own behalf funds or commercial papers as Margin to carry out transactions under Futures Contracts, Sharia Derivative Contracts, and/or any other Derivative Contracts from clients.

(2) Before entering into any service agreement, Futures Advisor shall notify and explain to potential clients the followings:

a. information about the company’s expertise in Futures Trading, activity program, business experiences as set forth in the document of Company Information Documents;

b. risks faced in Futures Trading as set forth in the Risk Presence Notification Documents

(3) Forms and contents of the documents as referred to in paragraph (2) shall be stipulated by the Regulation of Head of COFTRA.
(4) Company Information Document on business of Futures Advisor as referred to in point a of paragraph (2) shall be correct and not misleading and shall be effective for 6 (six) months and subject to further renewal.

(5) Futures Advisor shall receive Company Information Documents and Risk Presence Notification Document which has been signed and to which the Client has affixed the date as evidence that they have understood and agree the document.

(6) Futures Advisor shall not receive authorization to carry out transaction on behalf of his/her clients, except under certain situations stipulated by Head of COFTRA.

Part Three

Codes of Conducts of Future Mutual Fund Manager

Article 149

(1) Before accepting someone as a participant of Futures Mutual Fund, Futures Mutual Fund Manager shall notify and explain to potential clients the followings:

a. information about the company’s expertise in management of Futures Mutual Fund, finance, activity program, and business experiences as set forth in the document of Company Information Documents;
b. risks faced in Futures Trading as set forth in the Risk Presence Notification Documents

(2) Forms and contents of the documents as referred to in paragraph (1) shall be stipulated by the Regulation of Head of COFTRA.

(3) Company Information Document on Futures Mutual Fund Manager as referred to in point a of paragraph (1) shall be correct and not misleading and shall be effective for 6 (six) months and subject to further renewal.

(4) Futures Mutual Fund Manager shall receive Company Information Documents and Risk Presence Notification Document which has been signed and to which the participants of Futures Mutual Fund has affixed the date as evidence that they have understood and agree the document.

Part Four

Codes of Conducts of Alternative Trading System

Article 150

(1) An Alternative Trading System can be performed only by an Operator of Alternative Trading System and Participants of an Alternative Trading System shall not be affiliated to each other and shall have obtained an approval from Head of COFTRA.
(2) Alternative Trading System as referred to in paragraph (1) shall use electronic trading systems which meet the requirements.

(3) Provisions on requirements to get an approval, on transaction mechanism, activity termination, requirements for electronic trading systems as referred to in paragraphs (1) and (2) shall be stipulated by the Regulation of Head of COFTRA.

**Article 151**

Operators and Participants of Alternative Trading System shall

a. Report every transaction of other Derivative Contracts to Futures Exchange for market monitoring; and

b. Register each transaction of Futures Contracts to Futures Clearing House to secure its settlement.

**Article 152**

In case Operators and/or Participants of Alternative Trading System fails to report any transaction of other Derivative Contracts to Futures Exchange and to register each transaction of other Derivative Contracts to Futures Clearing House, Operators and/or Participants of Alternative Trading System shall return the Customers’ funds related to the transactions which are not reported and bear the entire damages arising from the unregistered transactions.
CHAPTER XI

PROMOTION ACTIVITIES OR ADVERTISEMENT, TRAINING, AND MEETING IN FUTURES TRADING

Article 153

(1) Any Party obtaining business license, permit, approval or registration certificate from Head of COFTRA has the right to conduct promotion or advertising, training or meeting activities;

(2) Before being informed to the publics, material or content related to the activities as referred to in paragraph (1) shall be submitted to Head of COFTRA for approval.

Article 154

Any Party obtaining business license, permit, approval, or registration certificate from Head of COFTRA to conduct promotion or advertising, training or meeting activities shall not:

a. Apply dishonest or fraudulent methods, inconsistent with the facts, or intentionally remove the facts so that mislead the society;

b. Apply coercion;

c. Make a statement that Futures Trading is the right investment facility for all people by revealing the possibility of getting profits without revealing possible risks; and or
d. Make a statement which can mislead society by, among others, concealing or removing materials or facts or delivering only reports of profits obtained in the past without explaining that they are not reflection of the future benefits or delivering performance data in the past and financial reports, including investment level calculated accurately in accordance with prevailing laws and regulations.

**Article 155**

Further provision on requirements and procedures for carrying out promotion or advertising, training, and meeting activities shall be stipulated by the Regulation of Head of COFTRA.

**CHAPTER XII**

**ADMINISTRATIVE SANCTIONS**

**Article 156**

(1) Any Party obtaining business license, permit, approval or registration certificate from Head of COFTRA but failing to comply with laws and regulation on Futures Trading shall be subject to administrative sanctions.

(2) Administrative sanctions as referred to in paragraph (1) shall be in the forms of:

a. Written warning;
b. Administrative penalty, namely obligation to pay the
money at certain amount;
c. Limitation to business activities;
d. Frozen business activities;
e. Revocation of business license;
f. Revocation of license;
g. Approval cancelation; and/or
h. Cancelation of registration certificate.

**Article 157**

(1) Sanctions as referred to in points b, c, d, e, f, g, or h
of paragraph (2) of Article 156 shall be imposed with or
without a prior written warning sanction as referred to
in point a of paragraph (2) of Article 156.

(2) Penalty sanction as referred to in point b of paragraph
(2) of Article 156 can be imposed separately and jointly
with sanctions as referred to in points c, d, e, f, g, or
h of paragraph (2) of Article 156.

**Article 158**

(1) Every party that fails to prepare, to keep, and to
maintain records as referred to in paragraph (1) of
Article 122, paragraph (1) of Article 123, paragraph (1)
of Article 125, Article 26, Article 27, paragraph (1) of
Article 128, paragraph (1) of Article 129, paragraph (1)
of Article 133, paragraph (1) of Article 134, paragraph (1) of Article 135 shall be subject to an administrative sanction of written warning from Head of COFTRA.

(2) Written warnings as referred to in paragraph (1) shall be given for a maximum period of 1 (one) month as of the issuance of the written warning.

(3) Written warning as referred to in paragraph (1) shall be given for maximum 3 (three) times.

**Article 159**

(1) In case the Party as referred to in Article 158 does not comply with the last written warning, the Head of COFTRA may appoint a consultant to seize the company's bookkeeping.

(2) Costs incurred from the assignment as referred to in paragraph (1) shall be borne by the company.

**Article 160**

Any Party that is late in submitting a report or confirmation as referred to in paragraph (3) of Article 122, paragraph (3) of Article 123, paragraph (3) of Article 125, paragraphs (2) and (3) of Article 129, paragraphs (2), (3), and (4) of Article 130, paragraph (2) of Article 131, Article 132, and paragraph (2) of Article 133 shall be subject to the following administrative fines:
a. The Futures Exchange or Futures Clearing House Clearing shall be liable to an administrative fines of Rp1,000,000.00 (one million rupiah) for each working day of delay for submitting the reports on the condition that the maximum administrative fine shall be Rp 1,000,000,000.00 (one billion rupiah);

b. Futures Brokers, Futures Advisors, Organizers of the Alternative Trading System, and Futures Trading Centers Managers shall be liable to fine of administrative sanctions of maximum Rp 200,000 (two hundred thousand rupiahs) for each working day of delay for submitting reports on the condition that the maximum administrative fine shall be Rp200 000,000.00 (two hundred million rupiah).

**Article 161**

A Futures Exchange failing conduct publication as referred to in paragraph (1) of Article 124 shall be liable to administrative fines of maximum Rp200,000,000.00 (two hundred million rupiah).

**Article 162**

Any Party that fails to meet the requirement of adjusted net capital or has reached the obligatory limit of reporting position as referred to in points g and h of paragraph (1) of Article 132 and paragraph (1) of Article 136 shall be subject
to administrative sanction in the form of business activity limitation.

**Article 163**

Activities of Futures Exchange, Futures Clearing House, Futures Broker, Futures Advisor, Future Mutual Fund may be frozen for a certain period determined by the Head of COFTRA, if they:

a. Fail to comply with the written warning given by COFTRA for 3 (three) times;

b. Are unable to maintain the required financial integrity and business reputation;

c. Are brought to court for allegedly violating the laws and regulations in the field of Futures Trading; or

d. Based on examination results of COFTRA, act in violation of or violate the prohibition stipulated on licensing or other provisions as regulated in the rules of the Futures Trading.

**Article 164**

Business licenses and permits held by each Party may be revoked if:

a. The party is sentenced by a criminal court based on a court decision having a permanent legal power;
b. The party is acting in violation of or violating the stipulated provisions concerning licensing or other provisions as regulated in the rules of the Futures Trading;

c. Futures Exchange or Futures Clearing House fail fulfill the obligations as referred to in Articles 17 or 27 of Law Number 32 of 1997 on Commodity Futures Trading as amended by Law Number 10 of 2011 on Amendment to Law Number 32 of 1997 on Commodity Futures Trading;

d. COFTRA has a strong reason that a Representative of Futures Broker, a Representative of Futures Advisor, or a Representative of Futures Mutual Fund Manager fail perform their activities honestly and openly; or

e. The party provides false information in the application for a permit or reports submitted to the Futures Exchange, Futures Clearing House or COFTRA.

Article 165

Approvals and registration certificates held by any Party may be revoked if:

a. The party is sentenced by a criminal court based on a court decision having a permanent legal power;

b. The party is acting in violation of or violating the stipulated provisions concerning licensing or other
provisions as regulated in the rules of the Futures Trading;

c. The party provides false information in its application for a permit or in reports submitted to the Futures Exchange, Futures Clearing House or COFTRA.

**Article 166**

Licenses of Representatives of Futures Broker, Representatives of Futures Advisory, and of Representatives of Futures Mutual Fund Manager shall expire automatically when the person dies.

**Article 167**

Activities of Representatives of Futures Brokers, Representatives of Future Advisors and Representatives of Futures Mutual Fund Managers may be frozen if:

a. the business activities of the Futures Brokers, the Futures Advisors, or the Futures Mutual Fund Managers who designate them as representatives are frozen;

b. Representatives of Futures Brokers, Representatives of Future Advisors and Representatives of Futures Mutual Fund Managers are brought to court for alleged violation of the laws and regulations in the field of Futures Trading; or

c. Based on examination of COFTRA, Representatives of Futures Brokers, Representatives of Future Advisors and Representatives of Futures Mutual Fund Managers are
proven to violate provisions in the field of Futures Trading.

**Article 168**

Licenses of Representatives of Futures Brokers, Representatives of Future Advisors and Representatives of Futures Mutual Fund Managers may be revoked if:

a. the business activities of the Futures Brokers, the Futures Advisors, or the Futures Mutual Fund Managers who designate them as representatives are revoked;

b. the Representatives of Futures Brokers, Representatives of Future Advisors and Representatives of Futures Mutual Fund Managers resign or no longer work for the Futures Brokerage Company;

c. the Representatives of Futures Brokers, Representatives of Future Advisors and Representatives of Futures Mutual Fund Managers are incapable of performing their functions for 6 (six) consecutive months based on proposals or solicitations of the relevant Futures Brokerage Companies, Futures Advisors, or Future Funds Central Management appointing them as their representatives;

d. Representatives of Futures Brokers, Representatives of Future Advisors and Representatives of Futures Mutual Fund Managers are sentenced according to a court decision having a permanent legal power;
e. Representatives of Futures Brokers, Representatives of Future Advisors and Representatives of Futures Mutual Fund Managers violates the laws and regulations in the field of Futures Trading; and/or

g. Representatives of Futures Brokers, Representatives of Future Advisors and Representatives of Futures Mutual Fund Managers give incorrect information in their applications for permits or in their reports submitted to the Futures Exchange, Futures Clearing House or COFTRA.

**Article 169**

Futures Exchange which does not keep the Compensation Fund in a separate account with a bank approved by the Head of COFTRA shall be subject to administrative fines of a maximum of Rp500,000,000.00 (five hundred million rupiah).

**Article 170**

In addition to the administrative sanctions as referred to in Article 158, administrative sanctions may be imposed on each Party as referred to in paragraph (1) of Article 156 for a maximum Rp50,000,000.00 (fifty million rupiahs) for an individual and a maximum of Rp100,000,000.00 (one hundred million rupiah) for Non-Individuals violating the laws and regulations in the field of Futures Trading.

**Article 171**
The imposition of administrative sanctions as referred to in paragraph (1) of Article 156 may be announced in mass media by COFTRA.

**Article 172**

Further provisions concerning the procedure for imposition of administrative sanctions shall be governed by a Regulation of the Head of COFTRA.

**CHAPTER XIII**

**TRANSITIONAL PROVISIONS**

**Article 173**

At the time this Government Regulation comes into force, the provisions concerning paid-up capital of Futures Exchange and paid-up capital of Futures Clearing House must be adjusted to the provisions hereof no later than 1 (one) year since the enactment of this Government Regulation.

**CHAPTER XIV**

**CLOSURE**

**Article 174**

At the time this Government Regulation comes into force, Government Regulation No. 9 of 1999 on the Implementation of Commodity Futures Trading (the Statute Book Number 16 of 1999,
Supplement Number 3805 to the Statute Book of the Republic of Indonesia) is revoked and declared null and void.

Article 175

This Government Regulation shall come into force as of the promulgation date.

For public cognizance, this Government Regulation shall be promulgated by placing it in the State Gazette of the Republic of Indonesia.

Stipulated in Jakarta,

On June 30, 2014

THE PRESIDENT OF THE REPUBLIC OF INDONESIA,

Signed

DR. H. SUSILO BAMBANG YUDHOYONO

Promulgated In Jakarta,

On July 1, 2014

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

Signed.

AMIR SYAMSUDIN

THE STATE GAZETTE OF THE REPUBLIC OF INDONESIA NUMBER 143 OF 2014
ELUCIDATION OF

GOVERNMENT REGULATION OF THE REPUBLIC OF INDONESIA

NUMBER 49 OF 2014

ON

ORGANIZATION OF COMMODITY FUTURES TRADING

I. GENERAL

Upon the promulgation of Law Number 10 of 2011 on the Amendment to Law Number 32 of 1997 on Commodity Futures Trading, it is necessary to replace the Government Regulation Number 9 of 1999 concerning Commodity Futures Trading by amending certain provisions such as capital and shareholders of Futures Exchange and Futures Clearing House, arrangements on Operators and Participants of the Alternative Trading System, approval for opening Branch Offices of Futures Brokers, implementation of promotional or advertising, training and meeting activities in the field of Futures Trading, as well as amendments to administrative sanctions for violations of this Government Regulation.

For regular, fair, efficient, and effective realization of the Futures Trading activities, it is necessary to stipulate various requirements and procedures that must be fulfilled by each Party conducting activities in the
field of Commodity Futures Trading. The Terms and Conditions shall be applicable in the framework of licensing of the Futures Exchange, Futures Clearing House, Futures Broker, Futures Trader, Alternative Trade System Operator, Alternative Trading System Participant, Futures Advisor, Futures Mutual Fund Manager, Futures Mutual Fund, Representative of Futures Broker, Representative of Futures Advisor, Representative of Futures Mutual Fund Manager, and banks for separate fund deposits.

In addition to the requirements and procedures that should be fulfilled in the framework of licensing, it is also necessary to stipulate requirements and procedures for the use of Compensation Fund, fund deposit in separate accounts, distribution of the Client's mandate to overseas Futures Exchange, bookkeeping and reporting, and implementation of Futures Trading.

Furthermore, in order to enforce various regulations in the field of Commodity Futures Trading, it is also necessary to stipulate provisions on imposition of administrative sanctions.

Due to the large number of and the growth of violations in Futures Trading activities, this Government Regulation shall authorize COFTRA to stipulate further regulations regarding procedures for imposing administrative
sanctions in accordance with the limits stipulated herein. In relation to such matters and as further elaboration of Law Number 32 of 1997 concerning Commodity Futures Trading as amended by Law Number 10 of 2011 concerning Amendment to Law Number 32 of 1997 concerning Commodity Futures Trading, it is necessary to stipulate a Government Regulation on Commodity Futures Trading.

II. ARTICLE BY ARTICLE

Article 1

Self-explanatory.

Article 2

Paragraph (1)

The minimum number of 11 (eleven) limited liability companies which are not affiliated to each other and active in transaction activities in Futures Exchange is considered sufficient to carry out Futures Exchange activities fairly.

Paragraph (2)

The “majority” shall mean most of or at least 6 (six) of the 11 (eleven) business entities shall be in the form of limited liability companies engaged in businesses of commodities and/or finances which are feasible for minimum trade of 3 (three) years, while the remainders
shall be opened to business entities in other business fields.

Paragraph (3)

Self-explanatory.

Article 3

Self-explanatory.

Article 4

Paragraph (1)

Point a

Self-explanatory.

Point b

Self-explanatory.

Point c

Self-explanatory.

Point d

Self-explanatory.

Point e

Self-explanatory.

Point f

The 3 (three) year business plan shall include organization structure, communication facilities, and training;
Point g
    Self-explanatory.

Point h
    Self-explanatory.

Point i
    Self-explanatory.

Point j
    Self-explanatory.

Point k
    Self-explanatory.

Point l
    Self-explanatory.

Point m
    Self-explanatory.

Point n
    Self-explanatory.

Paragraph (2)
    Self-explanatory.

**Article 5**

Self-explanatory.
Article 6

Paragraph (1)

Self-explanatory.

Paragraph (2)

"Remains active" means that the Parties which still hold license are still running their business according to their respective functions.

Article 7

Self-explanatory.

Article 8

Self-explanatory.

Article 9

Paragraph (1)

Self-explanatory.

Paragraph (2)

Basically, Futures Exchange has a special mission oriented to helping and supporting people, especially businesses and farmers in carrying out risk management through hedging activities. Therefore, this markets shall be operated transparently and fairly to protect people’s interests. Therefore, 1 (one) public figures is required to represent people’s interest in membership of the board of commissioners. The person can be public figures or
governmental figure who has integrity, is well-respected and understand Futures Trading properly.

Paragraph (3)

Self-explanatory.

Paragraph (4)

Self-explanatory.

Paragraph (5)

Self-explanatory.

Paragraph (6)

Self-explanatory.

Paragraph (7)

Self-explanatory.

Paragraph (8)

Self-explanatory.

Article 10

Self-explanatory.

Article 11

Self-explanatory.

Article 12

Self-explanatory
Article 13

Paragraph (1)

If an event halts or disturbs transaction activities of certain Futures Contracts or part of Futures Contracts, the halt of activities of Futures Exchange shall be applicable to the transaction of the relevant Futures Contracts

Paragraph (2)

Point a

"Damage to physical facilities and infrastructures" shall mean for example disturbance of electric power, communication facilities, computers, and other occurrences which hamper transaction activities.

Point b

In case economic or monetary crises in Indonesia or in any other countries causes disruption to transaction of Futures Contracts in Futures Exchange, mitigation efforts should be first made to reduce the negative impacts of the crises. But, if the continuation of transaction activities of Futures Contracts will cause damages to the managers, players, people, and the Government, the activities of Futures Exchange can be stopped.
Point c

In case of conditions beyond human's control such as natural disaster, strikes, riots, fires, and wars, which may prevent activities of Futures Trading from running properly, the activities of Futures Exchange can be stopped shall be declared terminated.

Point d

"Violations which prevent market mechanism from running properly include conspiracy and manipulation causing bigger damages to other players or even societies.

Paragraph (3)

Self-explanatory

**Article 14**

Paragraph (1)

Self-explanatory.

Paragraph (2)

Self-explanatory.

Paragraph (3)

Termination of transaction activities of Futures Contracts shall mean the absence of prices which can be used as calculation bases and to liquidate positions of Futures Exchange which remains opened to be owned by
Customers or other parties. Therefore, Futures exchange needs determine the settlement prices in accordance with laws and regulations in the field of futures trading.

**Article 15**

Self-explanatory.

**Article 16**

Self-explanatory.

**Article 17**

Paragraph (1)

"Settlement or improvement measures" can be to repair or to change the requirements of Futures Contracts, to increase of to reduce places for goods delivery, to determine prices for certain settlement, to determine huge additional capital considered sufficient to fix the condition and/or to apply austerity and efficiency measures.

Paragraph (2)

Self-explanatory.

**Article 18**

Self-explanatory.

**Article 19**

Upon the decision of termination of Futures exchange by Head of COFTRA, financial and legal obligations which have existed
or which will arise in the future due to this termination shall remain the responsibility of Futures exchange operator to be settled in accordance with laws and regulation.

Article 20

Paragraph (1)

Self-explanatory.

Paragraph (2)

Business License of Futures exchange shall be revoked after Head of COFTRA believe that the activities of futures exchange are impossible to resume and will not provide benefits for the economy and people. Therefore, before revoking, Head of COFTRA needs to conduct in-depth studies and to consider the interests of many parties related to the business license revocation, namely, people, Customers, Members of relevant Futures Exchange, and other related institutions.

Paragraph (3)

Self-explanatory.

Article 21

Self-explanatory.

Article 22

Self-explanatory.
Article 23

Self-explanatory.

Article 24

Self-explanatory.

Article 25

Self-explanatory.

Article 26

Self-explanatory.

Article 27

Futures Clearing House shall be in the form of a limited liability company to support the creation of regular, reasonable, efficient and effective activities of Futures Contracts, Sharia Derivative Contracts and/or other Derivative Contracts.

Futures Clearing House is a supporting institution of the Futures Exchange to facilitate its members to perform Commodity transactions under Futures Contracts, Sharia Derivative Contracts and/or other Derivative Contracts. Therefore, the primary mission of Futures Clearing House is not to seek profit. Service and transaction cost which is relatively low is an important element in creating a liquid market. Therefore, the Clearing House must pay attention to this element. If its activity gets profit, the profits shall
be used as much as possible to facilitate clearing and guarantee activities as well as member of the relevant Futures Clearing House.

Article 28

Self-explanatory

Article 29

Self-explanatory

Article 30

Paragraph (1)

Point a

Self-explanatory.

Point b

Self-explanatory.

Point c

Self-explanatory.

Point d

The 3 (three) year business plan shall include organization structure, communication facilities, and training;

Point e

Self-explanatory.

Point f
Self-explanatory.

Point g

Self-explanatory.

Point h

Self-explanatory.

Point i

Self-explanatory.

Paragraph (2)

Self-explanatory.

**Article 31**

Self-explanatory

**Article 32**

Paragraph (1)

Self-explanatory.

Paragraph (2)

"Remains active" means that the Parties which still hold license are still running their business according to their respective functions.

**Article 33**

Self-explanatory.

**Article 34**
Self-explanatory.

Article 35

Self-explanatory.

Article 36

Self-explanatory.

Article 37

Self-explanatory.

Article 38

Self-explanatory.

Article 39

Self-explanatory.

Article 40

Self-explanatory.

Article 41

Self-explanatory.

Article 42

Self-explanatory.

Article 43

Self-explanatory.

Article 44
Self-explanatory.

Article 45

Self-explanatory.

Article 46

Self-explanatory.

Article 47

Paragraph (1)

Point a

Self-explanatory

Point b

Self-explanatory

Point c

Self-explanatory

Point d

Business activity plans shall include organization, employee admission, education and training system, telecommunication facility preparation and information system, monitoring system and regulation implementation, operational plans and transaction management, and 3 (three)-year financial projection

Point e
Self-explanatory

Point f
Self-explanatory

Point g
Self-explanatory

Point h
Self-explanatory

Point i
Self-explanatory

Point j
Self-explanatory

Paragraph (2)
Self-explanatory.

Paragraph (3)
Self-explanatory.

Article 48

Paragraph (1)
Self-explanatory

Paragraph (2)

"Remains active" means that the Parties which still hold license are still running their business according to their respective functions.

Article 49
Self-explanatory.

Article 50

Self-explanatory.

Article 51

Self-explanatory.

Article 52

Paragraph (1)

Point a

Self-explanatory.

Point b

Self-explanatory.

Point c

Crimes in economy include crimes in trading, industries, or agriculture. Crimes in finance include crimes in banking, insurance, capital market, or taxation.

Point d

Self-explanatory.

Point e

Self-explanatory.

Point f
Self-explanatory.

Paragraph (2)

"Party controlling the company either directly or indirectly shall mean commissioners, directors, shareholders, or other parties having power to affect policies and activities of the Company.

Article 53

Self-explanatory.

Article 54

Self-explanatory.

Article 55

Self-explanatory.

Article 56

Expertise shall be shown to have graduation certificate issued by COFTRA in the field.

Article 57

Paragraph (1)

Point a

Self-explanatory.

Point b

Self-explanatory.

Point c
"there relevant" shall mean the company where Representative of Futures Exchange will work.

Paragraph (2)
Self explanatory.

Article 58

Paragraph (1)
Self-explanatory.

Paragraph (2)
"Remains active" means that the Parties which still hold license are still running their business according to their respective functions.

Article 59
Self-explanatory.

Article 60

Paragraph (1)
Self-explanatory.

Paragraph (2)
Self-explanatory.

Paragraph (3)
Self-explanatory.

Paragraph (4)
Self-explanatory.
Paragraph (5)

Futures Brokers meet the requirements to perform dual function of Futures Broker cum Future Advisors so that to perform as Futures Advisors, additional permit as Futures Advisors shall be unnecessary.

Article 61

Self-explanatory.

Article 62

Self-explanatory.

Article 63

Self-explanatory.

Article 64

Paragraph (1)

Point a

Self-explanatory.

Point b

Self-explanatory.

Point c

Crimes in economy include crimes in trading, industries, or agriculture. Crimes in finance include crimes in banking, insurance, capital market, or taxation.
Point d

Self-explanatory.

Point e

Self-explanatory.

Point f

Self-explanatory.

Paragraph (2)

"Party controlling the company either directly or indirectly shall mean commissioners, directors, shareholders, or other parties having power to affect policies and activities of the Company.

Article 65

Self-explanatory.

Article 66

Paragraph (1)

Self-explanatory.

Paragraph (2)

"Remains active" means that the Parties which still hold license are still running their business according to their respective functions.

Article 67

Self-explanatory.
Article 68
Self-explanatory.

Article 69
Self-explanatory

Article 70
Self-explanatory

Article 71
Paragraph (1)
Self-explanatory.

Paragraph (2)
"Remains active" means that the Parties which still hold license are still running their business according to their respective functions.

Article 72
Self-explanatory.

Article 73
Self-explanatory.

Article 74
Self-explanatory.

Article 75
Self-explanatory.
Article 76

Paragraph (1)

Point a

Self-explanatory.

Point b

Self-explanatory.

Point c

Crimes in economy include crimes in trading, industries, or agriculture. Crimes in finance include crimes in banking, insurance, capital market, or taxation.

Point d

Self-explanatory.

Point e

Self-explanatory.

Point f

Self-explanatory.

Paragraph (2)

“Party controlling the company either directly or indirectly shall mean commissioners, directors, shareholders, or other parties having power to affect policies and activities of the Company."
Article 77

Paragraph (1)

Self-explanatory.

Paragraph (2)

"Remains active" means that the Parties which still hold license are still running their business according to their respective functions.

Article 78

Self-explanatory.

Article 79

Self-explanatory.

Article 80

Self-explanatory.

Article 81

Self-explanatory.

Article 82

Paragraph (1)

Self-explanatory.

Paragraph (2)

"Remains active" means that the Parties which still hold license are still running their business according to their respective functions.
Article 83
Self-explanatory.

Article 84
Self-explanatory.

Article 85
Self-explanatory.

Article 86
Self-explanatory.

Article 87
Paragraph (1)
Self-explanatory.

Paragraph (2)
"Remains active" means that the Parties which still hold license are still running their business according to their respective functions.

Article 88
Self-explanatory.

Article 89
Paragraph (1)
The minimum available fund shall be calculated against the fund needed to pay compensations to Customers.

Paragraph (2)
Self-explanatory.

Paragraph (3)

Self-explanatory.

Article 90

Point a

Self-explanatory.

Point b

Self-explanatory.

Point c

Self-explanatory.

Point d

Self-explanatory.

Point e

Self-explanatory.

Point f

Self-explanatory.

Point g

Self-explanatory.

Point h

Self-explanatory.

Point i
Self-explanatory.

Point j

Futures Mutual Fund Manager can delay or refuse buyback Participation Certificate if the price of Participation Certification cannot determined because the transaction under Futures contract, Commodity being the subject of Futures Contracts, and/or other instrument shall be regulated by regulation of Head of COFTRA and the financial condition has reached certain limits allowing buyback of the Participation Certificate.

Point k

Self-explanatory.

Point i

Activities of Futures Mutual Fund can be stopped or terminated permanently if all contracts on which the Future Mutual Fund’s investment is based is terminated if, among other, futures exchange is closed, there is force majeure events, or the contract term of establishment Future Mutual Fund expires.

Article 91

Self-explanatory.

Article 92
Self-explanatory.

Article 93

Self-explanatory.

Article 94

Self-explanatory.

Article 95

Self-explanatory.

Article 96

Self-explanatory.

Article 97

Paragraph (1)

Point a

Self-explanatory.

Point b

Self-explanatory.

Point c

Crimes in economy include crimes in trading, industries, or agriculture. Crimes in finance include crimes in banking, insurance, capital market, or taxation.

Point d

Self-explanatory.
Point e

Self-explanatory.

Point f

Self-explanatory.

Point g

Self-explanatory.

Paragraph (2)

"Party controlling the company either directly or indirectly shall mean commissioners, directors, shareholders, or other parties having power to affect policies and activities of the Company.

Article 98

Paragraph (1)

"Other instrument" includes physical transaction products at Futures Exchange and Alternative Trading System, and/or Warehouse Receipt System

Paragraph (2)

Self-explanatory.

Article 99

Paragraph (1)

Self-explanatory.

Paragraph (2)
"Remains active" means that the Parties which still hold license are still running their business according to their respective functions.

**Article 100**

Self-explanatory.

**Article 101**

Self-explanatory

**Article 102**

Self-explanatory.

**Article 103**

Paragraph (1)

Self-explanatory.

Paragraph (2)

"Remains active" means that the Parties which still hold license are still running their business according to their respective functions.

**Article 104**

Self-explanatory.

**Article 105**

Paragraph (1)

Self-explanatory.

Paragraph (2)
Self-explanatory.

Paragraph (3)

The minimum available amount shall be calculated against the fund needed for payment of damages to Customer.

Paragraph (4):

Point a

Self-explanatory.

Point b

Self-explanatory.

Point c

Profit of Futures Exchange in operation can be obtained from various sources such as sale of membership of Futures Exchange, annual dues, transaction costs, facility rental, and other services.

The remaining profits after deducted by expense for the operation of Futures exchange shall be used as much as for developing Futures exchange by increasing the facilities and services for members so that the Futures exchange is more and more efficient and increases its integrity. One of the components which can be set aside partly to increase the Compensation Funds.
Paragraph (5)

Self-explanatory.

Paragraph (6)

Self-explanatory.

Article 106

Self-explanatory.

Article 107

Paragraph (1)

Self-explanatory.

Paragraph (2)

"Damages value" shall mean total real losses which should be received by Customers, including interests, cost to be issued by Customer in the complaint process and loss compensation demand.

Article 108

Paragraph (1)

Self-explanatory.

Paragraph (2)

Point a

To claim Compensation to Futures Exchange for damages caused by a default of a Futures Broker, the relevant customers shall be able to show that they
have made such demand directly to the Futures Broker making the default and it is believed that the Futures Broker has not good faith to settle the case.

Point b

Self-explanatory.

Point c

The amount of claim which can be submitted shall be consistent with the real damages plus other costs such as interest, and cost spent by the relevant customer to process the complaint and to investigate the claim.

Article 109

Paragraph (1)

Self-explanatory.

Paragraph (2)

The amount of available fund shall be calculated from the fund required to pay the compensation claim to Customers.

Article 110

Self-explanatory.

Article 111

Self-explanatory.
Article 112
Self-explanatory.

Article 113
Self-explanatory.

Article 114
Paragraph (1)
Self-explanatory.

Paragraph (2)
"Remains active" means that the Parties which still hold license are still running their business according to their respective functions.

Article 115
Self-explanatory.

Article 116
Self-explanatory.

Article 117
Self-explanatory.

Article 118
Paragraph (1)
In determining list of overseas Futures Exchange, Head of COFTRA also determines Futures Contracts and/or other
Derivative Contracts which can be used to distribute Customers' mandates to those Futures Exchange.

Paragraph (2)

The purpose of determination of overseas Futures Exchange and Futures Contracts and other Derivative Contracts by Head of COFTRA is that overseas Customers who will use Futures Contracts and/or other Derivative Contracts traded in relevant overseas Futures Exchange are protected from disadvantageous matters like the provisions of Futures Exchange and its clearing and guarantee which are considered to give insufficient protection to Customers or the market which is not liquid. Therefore, before the list of Futures Contracts and/or other Derivative Contracts are stipulated, a deliberate examination is conducted to rules and regulations of both Futures Exchange and Futures Clearing House as well as Futures Contracts and/or other Derivative Contracts and cooperation with Supervisory Agencies and the relevant overseas Futures Exchange to help settlement of complaint and/or dispute submitted by Customers.

Paragraph (3)

Point a

The same protection shall mean that there is no discrimination in dealing with and handling
complaints submitted by Customers, both domestic and international;

Point b

Self-explanatory.

Point c

Transactions of Futures Contracts and/or other Derivative Contracts in overseas Futures Exchange basically give benefits to Indonesian economy for both hedging, arbitration, etc.

**Article 119**

The application is stated to be received completely if the application has been supplied with required documents without any demand for changes and/or additional information from COFTRA.

**Article 120**

Self-explanatory

**Article 121**

Self-explanatory

**Article 122**

Self-explanatory.

**Article 123**
Self-explanatory.

Article 124

Self-explanatory.

Article 125

Self-explanatory.

Article 126

Point a

Self-explanatory.

Point b

“Identities of the institutions” shall mean the name of bank where Futures Clearing House deposit the Margin received from Futures Broker.

Point c

Self-explanatory.

Article 127

Self-explanatory

Article 128

Self-explanatory.

Article 129

Paragraph (1)

Self-explanatory.
Paragraph (2)

Self-explanatory.

Paragraph (3)

"Open position of Futures Contracts, Sharia Derivative Contracts and/or other Derivative Contracts" shall mean sale and purchase position of the Futures contracts which have not been liquidated or matured.

**Article 130**

Self-explanatory.

**Article 131**

Self-Explanatory.

**Article 132**

Self-explanatory.

**Article 133**

Self-explanatory.

**Article 134**

Paragraph (1)

Self-explanatory.

Paragraph (2)

Point a

Self-explanatory.
Point b

Self-explanatory.

Point c

Documents of Company’s information also contain transaction program which should be known and understood by each client.

Point d

Self-explanatory.

Point e

Self-explanatory.

Point f

Self-explanatory.

Paragraph (3)

Self-explanatory.

Paragraph (4)

Self-explanatory.

**Article 135**

Paragraph (1)

Self-explanatory.

Paragraph (2)

Point a
Self-explanatory.

Point b

Self-explanatory.

Point c

Documents of Company’s information also contain transaction program which should be known and understood by each participant of Futures Mutual Fund.

Point d

Self-explanatory.

Point e

“Other doer” shall mean parties transacting products out of Futures Contracts, Sharia Derivative Contracts, and/or other Derivative Contracts.

Point f

Self-explanatory.

Point g

Self-explanatory.

Point h

“Other records” are records of each transaction for the personal or principal of the Futures Mutual Fund
Manager company including transaction date, amount, types of Futures Contract, Syariah Derivative Contract and/or other Derivative Contracts, prices, month of delivery, account managing Futures Broker, sell or purchase transactions, and profit or loss, including confirmations and monthly reports submitted by the Futures Broker.

Paragraph (3)

Self-explanatory.

Article 136

Self-explanatory.

Article 137

Self-explanatory.

Article 138

Self-explanatory.

Article 139

Self-explanatory.

Article 140

Self-explanatory.

Article 141

Paragraph (1)
The prohibition to open or to have an account in other Futures Brokers is aimed at preventing any conspiracy disadvantaging Customer and failure of fair and transparent markets;

Paragraph (2)

This provision is aimed at preventing husbands and wives of employees of Futures Brokers from being used in a conspiracy for fraudulent transactions causing failure to the market mechanism to work fairly and preventing transactions by group of people or a family which exceed the position limits already stipulated.

**Article 142**

Paragraph (1)

Point a

Self-explanatory.

Point b

Self-explanatory.

Point c

Things described in Futures Contracts shall include maximum transaction, ownership position of obligatory reported Futures Contracts, price fluctuation limits, margin, and prevailing provisions.
Point d
  Self-explanatory.

Point e
  Self-explanatory.

Point f
  Self-explanatory.

Paragraph (2)

  Article 143
  Self-explanatory.

  Article 144
  Self-explanatory.

  Article 145
  Self-explanatory.

  Article 146

Point a
  Self-explanatory.

Point b
  Self-explanatory.

Point c
  Self-explanatory.

Point d
  Self-explanatory.
Point e

Self-explanatory.

Point f

Self-explanatory.

Point g

Self-explanatory.

Point h

Self-explanatory.

Point i

Self-explanatory.

Point j

Self-explanatory.

Point k

Self-explanatory.

Point l

Self-explanatory.

Point m

Self-explanatory.

Point n
"Certain circumstances shall mean that, for instance, a Customer is not available at the place for a certain period and for transaction aimed at preventing bigger loss (stop loss) in accordance with the previsions stipulated by Head of COFTRA.

Point o

Self-explanatory.

Article 147

Self-explanatory.

Article 148

Self-explanatory.

Article 149

Self-explanatory.

Article 150

Paragraph (1)

a. family relationships due to marriage and descent up to the second degree, both horizontally and vertically;

b. relationship between the Party and employees, directors or commissioners of that Party;

c. relationship between two companies, one member or several members of the boards of directors or commissioners of which are the same;
d. relationship between the company and the Party which, directly or indirectly, control or is controlled by the company;

e. relationship between two controlled companies, directly or indirectly, by the same Party; or

f. relationship between the company and the majority shareholders.

Paragraph (2)

Self-explanatory.

Paragraph (3)

Self-explanatory.

Article 151

Self-explanatory.

Article 152

Self-explanatory.

Article 153

Self-explanatory.

Article 154

Self-explanatory.

Article 155

Self-explanatory.

Article 156
Self-explanatory.

Article 157

Self-explanatory.

Article 158

Self-explanatory.

Article 159

Self-explanatory.

Article 160

Self-explanatory.

Article 161

Self-explanatory.

Article 162

Self-explanatory.

Article 163

Point a

Self-explanatory.

Point b

"Financial integrity" shall mean financial capability of the company or individual which is measured from the capital and/or wealth they have in accordance with the stipulated requirements and obedience to pay all financial liabilities, especially tax payment.
"Required reputation" shall mean the ability to manage business properly and to have good credibility as marked by:

1) Never sentenced for any crime;
2) Never blacklisted;
3) Never declared bankrupt over the last 5 (five) years, and
4) Having expertise in Futures Trading

Point c

Self-explanatory.

Point d

Self-explanatory.

**Article 164**

Self-explanatory.

**Article 165**

Self-explanatory.

**Article 166**

Self-explanatory.

**Article 167**

Self-explanatory.

**Article 168**

Self-explanatory.
Self-explanatory.

Article 169

Self-explanatory.

Article 170

Self-explanatory.

Article 171

Self-explanatory.

Article 172

Self-explanatory.

Article 173

Self-explanatory.

Article 174

Self-explanatory.

Article 175

Self-explanatory.

SUPPLEMENT NUMBER 5548 TO THE STATUTE BOOK THE REPUBLIC OF INDONESIA

I, Anang Fahkrudin, (anang@gmail.com), a sworn and authorized translator, by virtue of Jakarta Capital Territory Governor's Decree No. 2228/2001, practicing in Jakarta, do solemnly and sincerely declare that the foregoing document is a true and faithful translation from Indonesian into English of the original version.

Jakarta, January 15, 2018

ANANG FAHKRUDIN
SWORN & AUTHORIZED TRANSLATOR
SK. GUB KORI 792, No. 322/04/2001