

REGULATION OF THE HEAD OF COMMODITY

FUTURES TRADING AUTHORITY OF THE

REPUBLIC OF INDONESIA

NUMBER 5 OF 2018

ON

SECOND AMMENDMENT TO THE REGULATION

OF THE COMMODITY FUTURES TRADING AUTHORITY NUMBER

99/BAPPEBTI/PER/11/2012 CONCERNING ON-LINE ELECTRONIC
REGISTRATION IN THE SECTOR OF COMMODITY FUTURES TRADING

BY THE GRACE OF GOD ALMIGHTY

HEAD OF COMMODITY FUTURES TRADING AUTHORITY OF THE

REPUBLIC OF INDONESIA,

In consideration of:

- a. to fulfill market needs and provide protection for the parties in the Commodity Futures Trading sector, it is necessary to regulate the On-Line Registration of Customers in the Commodity Futures Trading Sector;
- b. Based on the considerations referred to in letter a, the Commodity Futures Trading Authority needs to stipulate the Regulation of the Head of the

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Commodity Futures Trading Authority on Second Amendment to the Regulation of the Head of the Commodity Futures Trading Authority Number 99/BAPPEBTI/PER/11/2012 Concerning On-line Electronic Customers' Registration in the Sector of Commodity Futures Trading;

In observation of:

1. Law Number 32 of 1997 on Commodity Futures Trading (State Gazette of the Republic of Indonesia Number 93 Year 1997, Supplement to the State Gazette of the Republic of Indonesia Number 3720) as amended by Law Number 10 of 2011 on Amendment to Law No.32 of 1997, on Commodity Futures Trading (State Gazette Year 2011, Number 79, Supplement to State Gazette of the Republic of Indonesia Number 5232);
2. Government Regulation No. 49 of 2014 on Commodity Futures Trading (State Gazette of the Republic of Indonesia Year 2014 Number 143, Supplement to the State Gazette of the Republic of Indonesia Number 5548);

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3. Presidential Regulation No.7 of 2015 on State Ministry Organization (State Gazette of the Republic of Indonesia Year 2015 Number 8);
4. Government Regulation No. 48 of 2015 on Ministry of Trade (State Gazette of the Republic of Indonesia Year 2015 Number 90);
5. Regulation of the Minister of Trade No. 08/M-DAG/PER/2/2016 on Organization and Work Procedure of the Ministry of Trade (State Gazette of the Republic of Indonesia Year 2016 Number 202);
6. This Decree of the Head of Commodity Futures Trading Authority Number 107/BAPPEBTI/PER/11/2013 on Amendment to Regulation of the Head of Commodity Futures Trading Number 99/BAPPEBTI/PER/11/2012 Concerning On-line Electronic Customers' Registration in the Sector of Commodity Futures Trading;

HAS DECIDED:

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To Establish: REGULATION OF THE HEAD OF COMMODITY FUTURES TRADING AUTHORITY, ON SECOND AMMENDMENT TO THE REGULATION OF THE HEAD OF COMMODITY FUTURES TRADING AUTHORITY NUMBER 99/BAPPEBTI/PER/11/2012 CONCERNING ON-LINE ELECTRONIC REGISTRATION IN THE SECTOR OF COMMODITY FUTURES TRADING.

Article I

Some provisions in the Regulation of the Head of Commodity Futures Trading Authority Number 99/BAPPEBTI/PER/11/2012 Concerning On-line Electronic Customers' Registration in the Sector of Commodity Futures Trading as amended by Regulation of the Head of Commodity Futures Trading Authority Number 107/BAPPEBTI/PER/11/2013 on Regulation of the Head of Commodity Futures Trading Authority Number 99/BAPPEBTI/PER/11/2012 Concerning On-line Electronic Customers' Registration in the Sector of Commodity Futures Trading, amended as follows:

1. The provisions of Article 1 paragraph (2), paragraph (3) and paragraph (4) are amended so that the of Article 1 reads as follows:

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Article 1

- (1) Customers' Registration electronically on-line is a process that includes understanding and filling in the application for opening a transaction account, Risk Disclosure Document, Mandating Agreement, and statement of having carried out a simulation of Futures Trading, statement of responsibility for the Customer's transaction access code and trading rules which are all done electronically.
- (2) On-Line Electronic Customer's Registration Application System are only provided by Futures Broker who have been designated by *Bappebti*.
- (3) The Designation referred to in paragraph (2) is only given to Futures Broker that meets the following requirements:
- a. not violating provisions on minimum financial requirement and financial reporting obligation for the last 1 (one) year;

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b. having an *on-line* electronic Customers' registration application system; and

c. having Standard Operating Procedure in the context of On-Line Electronic Customers' Registration.

(4) The *on-line* electronic Customer's registration application system as referred to in paragraph (3) letter b must contain at least the following features

a. Customer's eligibility;

b. Company profile;

c. Futures Trading transaction Simulation (Customers' demo account)

d. Customers' profile and opening account application;

e. Risk Disclosure Document;

f. Mandating Agreement;

g. Trading rules, including all fees collected;

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- h. Customer's statement on not disclosing Personal Access Password to another party;
- i. Customer's statement that the funds used for the transaction are their property and not coming from another party, also not obtained from the result of fraud, embezzlement, proceeds from money laundering and corruption and other unlawful acts also are not intended to commit money laundering;
- j. Means of promotion;
- k. Segregated Account;
- l. Futures Contracts, Sharia Derivative Contracts, and/or Other Derivatives Contract being traded;
- m. verification of the completeness of customer's registration requirements;
- n. confirmation proof of customer's registration
- o. means of dispute resolution choice;

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p. the office chosen or the nearest Futures Broker branch office in accordance with the domicile of the Customer for customer complaint service; and

q. has the ability to keep and provide a track record of every implementation of on-line electronic customers' registration activities.

(5) Features as referred to in paragraph (4) letter b to letter i must be guided by Form Number 107. PBB.01 to Number 107.PBK.07 as stated in the Appendix that is an integral part of this Regulation of the Head of *Bappebti*.

(6) Confirmation proof of Customers' registration as referred to in paragraph (4) letter n must be signed by the Representative of the Futures Broker who carries out verification and the President Director of the Futures Broker, it is then sent to the Customer in printed and electronic form.

2. The provision of Article 5, is amended so that the Article 5 reads as follows:

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Article 5

- (1) Futures Brokers can only register customers by on-line electronic after the prospective customers:
- a. conducts a transaction simulation through a demo account;
 - b. personally, completes the on-line electronic Customers' Registration, not completed by the Futures Broker; and
 - c. read, understand, and approve to the content of the Mandating Agreement Document, Statement of Risk, choose the place of dispute resolution, trading rules, Futures Contract, Sharia Derivative Contract and/or other Derivative Contract being traded, and on-line electronic trading system rules and regulations.
- (2) All documents in the on-line customers' registration application system must be completed personally by the prospective

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Customer and are prohibited from being authorized to the Futures Broker.

(3) Futures Brokers are prohibited from offering prospective Customers to complete the on-line electronic customer's registration application system document.

(4) On-Line Electronic Customers' Registration Application System as referred to in Article 1 paragraph (2) has to be able to verify:

a. that the Customer is financially eligible;

b. that the Customer is not a customer who is prohibited by provisions of the law;

c. that the Customer is a customer who has the ability to perform transactions proven by:

1. a certificate of passing the simulation that is given after the prospective customer or the customer is given the opportunity to perform a transaction simulation; or

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2. a statement confirming that the Customer has experience conducting transactions in Commodity Futures Trading;
- d. the Customer has read, understood and agreed to the entire content of the Customer's Mandating Agreement;
- e. the Customer has read, understood and agreed to the entire content of the Customer's Risk Disclosure Document;
- f. the Customer's funds used for transaction are funds belonging to the Customer himself and not other parties', also not obtained from the result of fraud, embezzlement, proceeds from money laundering or corruption and other unlawful acts also are not intended to commit money laundering;
- g. the Customer has read and understood the Futures Contract, Sharia Derivative Contract, and/or other Derivative Contract to be transacted;

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- h. the Customer has read and understood the trading rules including the transaction mechanism and all costs related to the transaction;
- i. the Customer has read and understood the rules and regulations of the on-line electronic trading system;
- j. the Customer completing the electronic online customer's registration application is doing transaction for himself and not for the interest of another party;
- k. the Customer has read and understood the company information document in the form of a company profile; and
- l. the Customer has read and understood the dispute resolution mechanism, and agreed to one of the options for the dispute settlement.

(5) In carrying out the provisions referred to in paragraph (2) the Futures Broker is

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obliged to appoint a Futures Broker Representative who is specifically assigned to conduct verification.

3. Appendix Form Number 107. PBB.05 is amended and become an Appendix which is an integral part of the Appendix to the Regulation of this Authority.

Article II

1. When this Regulation comes into force the Party receiving designation as a Futures Broker carrying out on-line electronic customer's registration in the sector of Commodity Futures Trading must adjust to the provisions in this Regulation no later than 6 (six) months after this Regulation is established.
2. This Regulation comes into force from the date of its promulgation.

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For the purpose of public cognizance, it is hereby ordered that this Regulation be promulgated in the State Gazette of the Republic of Indonesia.

Established in Jakarta, on
May 31, 2018

HEAD OF COMMODITY FUTURES TRADING
AUTHORITY OF THE REPUBLIC OF
INDONESIA,

Signed.

BACHRUL CHAIRI

Promulgated in Jakarta on
date July 2018

THE DIRECTOR GENERAL OF LEGISLATION OF
THE MINISTRY OF LAW AND HUMAN RIGHTS OF
THE REPUBLIC OF INDONESIA,

Signed.

WIDODO EKATJAHJANA

STATE GAZETTE OF THE REPUBLIC OF INDONESIA YEAR 2018 NUMBER 913

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Decree of Governor of DKI Jakarta No 527/1995

Copies in accordance with the originals

COMMODITY FUTURES TRADING

AUTHORITY Head of Legislation and

Execution Bureau

(Signed and Stamped)

M.Syist

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Decree of Governor of DKI Jakarta No 527/1995