

**MINISTRY OF FINANCE OF THE REPUBLIC OF INDONESIA
CAPITAL MARKET AND FINANCIAL INSTITUTIONS SUPERVISORY
AGENCY**

DUPLICATE OF

**DECISION OF THE CHAIRMAN OF CAPITAL MARKET
AND FINANCIAL INSTITUTIONS SUPERVISORY AGENCY
NUMBER: KEP - 43/BL/2008**

CONCERNING

PRIVATE EQUITY FUND

**CHAIRMAN OF CAPITAL MARKET AND FINANCIAL INSTITUTIONS
SUPERVISORY AGENCY,**

- Considering : that in order to improve the participation or Investment Fund as alternative of investments for investors and fund resources for business activities that enhances the growth of prospective business activities, it is deemed necessary to enact the Decision of the Chairman of Capital Market and Financial Institutions Supervisory Agency concerning Private Equity Fund;
- In view of :
 1. Law Number 8 year 1995 concerning Capital Market (Statute Book year 1995 number 64, Supplement to the Statute Book Number 3608);
 2. Government Regulation Number 45 year 1995 concerning Capital Market Organization (Statute Book Year 1995 Number 86, Supplement to Statute Book Number 3617) as revised by Government Regulation Number 12 year 2004 (Statute Book Year 2004 Number 27, Supplement to Statute Book Number 4372);
 3. Government Regulation Number 46 year 1995 concerning Capital Market Formal Investigative Procedures (Statute Book year 1995 Number 87, Supplement to Statute Book Number 3618);
 4. Decree of the President of the Republic of Indonesia Number 45/M year 2006.

HAS DECIDED :

- To enact : **DECISION OF THE CHAIRMAN OF INDONESIAN CAPITAL MARKET AND FINANCIAL INSTITUTIONS SUPERVISORY AGENCY CONCERNING PRIVATE EQUITY FUND;**

**MINISTRY OF FINANCE OF THE REPUBLIC OF INDONESIA
CAPITAL MARKET AND FINANCIAL INSTITUTIONS SUPERVISORY
AGENCY**

Article 1

Provisions concerning Private Equity Fund are regulated in Rule Number IV.C.5 as stipulated in the Attachment of this Decision.

Article 2

This decision shall become effective since the date of its promulgation.

In order that all will be informed, this Regulation will be promulgated by publication in the State Gazette of the Republic of Indonesia.

Enacted in : Jakarta
Date : 14 February 2008

Chairman of Capital Market And Financial
Institutions Supervisory Agency

Signed

A. Fuad Rahmany
NIP. 060063058

Based on the original documents
Head General Affairs Division

Signed

Prasetyo Wahyu Adi Suryo
NIP 060076008

ATTACHMENT :

Decision of the Chairman of Capital
Market and Financial Institutions
Supervisory Agency (CMFISA)

Number : Kep-43/BL/2008

Date : 14 February 2008

RULE NUMBER IV.C.5 : PRIVATE EQUITY FUND

1. In this rule, what is meant by:
 - a. Private Equity Fund is a vehicle used by an Investment Fund Manager to gather funds from Professional Investors to be invested in securities portfolio.
 - b. Professional Investor is an investor that has ability to purchase Participation Units and to perform risk analysis on Private Equity Fund as regulated by this rule.
2. Participation Units of Private Equity Fund may only be offered to Professional Investors and are not allowed to be offered through Public Offering and or are not allowed to be owned by 50 (fifty) Person or more.
3. Guidelines for the management of Private Equity Fund and guidelines for Private Equity Fund shall refer to Rule Number IV.B.1 concerning Guidelines for the Management of Investment Fund in the Form of Collective Investment Contract as long as it is not regulated differently by this rule.
4. Investment Manager of Private Equity Fund shall submit the Collective investment Contract recognized by Notary to Capital Market and Financial Institutions Supervisory Agency (CMFISA) not later than 10 (ten) days since the signing of the contract of Private Equity Fund.
5. Investment Manager that manages Private Equity Fund shall fulfill the following requirements:
 - a. having paid in capital of at least Rp.25.000.000.000,00 (twenty five billion rupiah);
 - b. having at least (one) employee that has a Chartered Financial Analyst (CFA) Certificate or Investment Manager Representative that has experience in portfolio management for at least 5 (five) years, that directly involves in the management of Private Equity Fund; and
 - c. owning Participation Unit of *Private Equity Fund* that is managed at least 1 (one) Participation Unit.

6. The name of Private Equity Fund shall include the name of its Investment Manager and a name that reflects the investment purpose of the investment fund.
7. Participation Units of Private Equity Fund shall be deposited in the collective custody in Central Securities Depository.
8. Provisions related to prohibited conducts performed by Investment Manager as stated in Rule Number IV.B.1 concerning Guidelines for the Management of Investment Fund in the Form of Collective Investment Scheme and Rule Number IV.B.2 concerning Guidelines for Contract of Investment Fund in the Form of Collective Investment Contract are not relevant to the Private Equity Fund, except these following prohibitions:
 - a. purchasing securities traded on foreign Stock Exchange whose information is accessible through mass media or any available internet facility more than 15% (fifteen percent) of the Net Asset Value of Investment Fund, except for Securities issued by the Government of the Republic of Indonesia, Issuers and or public companies that are established and operate based on Indonesian laws and regulations in Capital Market;
 - b. purchasing Securities issued by a foreign legal entity traded on foreign Stock Exchange more than 5% (five percent) of paid in capital of the issuer and more than 10% (ten per cent) of the Net Asset Value of Private Equity Fund at all time;
 - c. involved in any short selling;
 - d. purchasing any Securities at margin;
 - e. issuing bond or credit securities; and
 - f. Involved in any type of loan, except for short term loan related to the settlement of transaction, and such loan shall not be more than 10% (ten per cent) of the value of the Investment Fund portfolio at the time of purchase.
9. Provisions related to subscription and redemption of Participation Units of Investment Fund as mentioned in Rule Number IV.B.1 concerning Guidelines for the Management of Investment Fund in the Form of Collective Investment Scheme and Rule Number IV.B.2 concerning Guidelines for Contract of Investment Fund in the Form of Collective Investment Contract are not relevant for Private Equity Fund that is regulated by this rule.
10. Provisions related to minimum requirements that shall be contained in the Collective Investment Contract of Investment Fund the Form of Collective Investment Contract as regulated in Rule Number IV.B.2 concerning Guidelines for Contract of Investment Fund in the Form of Collective Investment Contract

that related to diversification of portfolio in money market are not relevant for Private Equity Fund.

11. The initial Net Asset Value of each Participation Unit of Private Equity Fund must be Rp 5.000.000.000,00 (five billions rupiah). Meanwhile, the initial Net Asset Value of each Participation Unit of Private Equity Fund denominated in foreign currency must be US\$500,000.00 (five hundred thousands United States dollar) or EUR 500.000,00 (five hundred thousands Euro).
12. The holders of Participation Unit of Private Equity Fund have rights, among other things :
 - a. to obtain information regarding Net Asset Value of Private Equity Fund quarterly; and
 - b. to request that a General Meeting of Unit Holders (RUPUP) be held.

Provisions regarding rights to obtain information quarterly and to request that RUPUP be held shall be contained in the Collective Investment Contract.
13. Investment Manager shall determine the fair market value of securities in the portfolio and submit it immediately to the Custodian Bank quarterly.
14. Custodian Bank shall calculate the Net Asset Value of Private Equity Fund quarterly.
15. The valuation of Net Asset Value of Private Equity Fund is not mandatory to follow provisions stated in Rule Number IV.C.2 concerning Fair Market Value of Securities in the Portfolio of an Investment Fund.
16. When the valuation of Net Asset Value of Private Equity Fund does not follow provisions stated in Rule Number IV.C.2 concerning Fair Market Value of Securities in the Portfolio of an Investment Fund, Investment Manager of Private Equity Fund shall establish consistent method of calculation Net Asset Value and determine the Net Asset Value.
17. Provisions related to calculation, publication, and reporting of Net Asset Value as regulated in Rule Number IV.C.3 concerning Guidelines for the Daily Announcement of the Net Asset Value of Open-End Investment Fund are not relevant to Private Equity Fund that is regulated in this rule.
18. Obligation of Private Equity Fund to submit Investment Fund Report as regulated in Rule Number X.D.1 concerning Investment Fund Report is not relevant to Private Equity Fund except for provisions number 1 letter a, letter b, letter c, and letter d, number 2 letter c, number 3, and number 8.
19. Private Equity Fund shall publish and submit report showing the financial position of that investment Fund to CMFISA and Participation Unit holders quarterly using Form Number XD.1-1 attachment 1, Form Number X.D.1-2

attachment 2, Form Number X.D.1-3 attachment 3, Form Number X.D/1-4 attachment 4 as mentioned in Rule Number X.D.1 concerning Investment Fund Report.

20. Report as mentioned in number Item 19 above shall be submitted to CMFISA not later than day 12 (twelve) after the last day of the quarterly reporting period has ended, but whenever that day is a holiday, the submission of the report may be performed on the following working day.
21. Annual financial report of Private Equity Fund shall be audited by Accountants registered by CMFISA and shall be submitted to Unit Participation holders and CMFISA by Investment Manager not later than the end of the third month after the date financial report has ended.
22. Provisions related to the conditions that may cause Investment Fund shall be liquidated as mentioned in Rule Number IV.B.1 concerning Guidelines for the Management of Investment Fund in the Form of Collective Investment Scheme and Rule Number IV.B.2 concerning Guidelines for Contract of Investment Fund in the Form of Collective Investment Contract are not relevant to Private Equity Fund, except for provisions on obligation to liquidate Private Equity Fund because:
 - a. it is ordered by CMFISA in accordance to law and regulations in Capital Market;
 - b. it has been agreed between Investment Manager and Custodian Bank to liquidate Private Equity Fund with prior approval from Unit Participation holders.
23. The obligations of Investment Manager related to the liquidation of the Investment Fund as mentioned in Rule Number IV.B.1 concerning Guidelines for the Management of Investment Fund in the Form of Collective Investment Scheme and Rule Number IV.B.2 concerning Guidelines for Contract of Investment Fund in the Form of Collective Investment Contract are not relevant to Private Equity Fund.
24. When Private Equity Fund shall be liquidated because of the condition mentioned in Item 22 letter b above, the Investment Manager shall:
 - a. submit to CMFISA within a period of not later than 2(two) exchange days since the agreement between Investment Manager and Custodian Bank to liquidate the Private Equity Fund and attach the following documents:
 - 1) the agreement between Investment Manager and Custodian Bank to liquidate the Private Equity Fund;
 - 2) the approval from Unit Participation holders;
 - 3) reason of liquidation; and

4) the last financial condition;

and on the same day submit proposal of winding up, liquidation, and allocation of liquidation asset of the Private Equity Fund to Unit Participation holders and give notice in writing to the Custodian Bank to halt the calculation of Net Asset Value of Private Equity Fund.

- b. instruct the Custodian Bank to pay liquidation assets which are becoming the rights of Unit Participation holders under the conditions that the calculation are executed proportionally from the Net Asset Value when the liquidation has been finished and the liquidation asset shall be received by the Participation Unit holders no latter than 7 (seven) working days since the completion of liquidation ; and
- c. submit report regarding the result of winding up, liquidation, and allocation of liquidation assets of Private Equity Fund to CMFISA not later than 2 (two) months since the winding up and accompanied with opinion from lawyer and accountant registered with CMFISA and certificate of wind up and liquidation of the Investment Fund from Notary registered by CMFISA.

25. By no means of undermining criminal provisions in capital market, the CMFISA may impose sanctions against any violation of this rule, as well as against any Person who causes such violation to occur

Enacted in : Jakarta

Date : 14 February 2008

Chairman of Capital Market and Financial
Institutions Supervisory Agency

Signed

A. Fuad Rahmany

NIP. 060063058

Based on the original documents
Head of General Affairs Division

signed

Prasetyo Wahyu Adi Suryo

NIP 060076008