

**REGULATION II.D.1
TRADING OF SECURITIES FUTURE INDEX CONTRACT**

A. DEFINITION

1. **Exchange Member** shall mean a Security Company that has obtained approval of Exchange membership to hold Security trading at the Exchange.
2. **Security Index Point** shall mean Security Index that has Rupiah value that is equivalent with the Security Index multiplied with Multiplier.
3. **Exchange** shall mean PT Bursa Efek Surabaya.
4. **Close Long** shall mean to close/terminate *Open Short* position in securities future index contract.
5. **Close Short** shall mean to close/terminate *Open Long* position in securities future index contract.
6. **Safety Funds** shall mean an amount of money owned by the Exchange Member that must be paid and put as collateral by the Exchange Member to KPEI as guarantee on possible failure of re-fulfillment of Initial Margin, which the size and procedure thereof shall be determined by KPEI (Clearing Guarantee Institution).
7. **Price Fraction** shall mean price change unit in submitting bid or offer of securities future index contract.
8. **Offer Price** shall mean Security Index Point that is used as offer or bid.
9. **Price of Securities Future Index Contract** shall mean Security Index Point that comes from transaction of securities future index contract.
10. **Final Settlement Price** shall mean Security Index Point on Underlying on due date of securities future index contract.
11. **Daily Settlement Price** shall be price of securities future index contract that is used as daily closing price.
12. **Last Trading Day** shall mean the last Exchange Day of trading period on due date of securities future index contract period.
13. **Security Index** shall mean Security of a group of Securities in the form of index, from local and foreign Stock Exchange.
14. **Code of Securities Future Index Contract** shall mean symbol that is used to identify each type of securities future index contract.
15. **Securities Future Index Contract (KBIE)** shall mean an agreement to sell or buy Security or a group of Securities in the form of index on a particular Security Index Point with settlement in the future, which requires each party to fulfill the agreement on due date.

16. **Monthly Contract** shall mean type of securities future index contract that is issued in certain month and due on certain Exchange Day in the relevant month.
17. **Second Monthly Contract** shall mean type of securities future index contract that is issued in certain month and due on certain Exchange Day in the subsequent month after the relevant month.
18. **Rolling Contract** shall mean type of securities future index contract, which at the closing time of trading hours on the relevant Exchange Day, open position will be automatically extended on the subsequent Exchange Day until the position is closed.
19. **Quarterly Contract** shall mean type of securities future index contract issued in certain month and due on certain Exchange Day in the closest quarterly month after the relevant month.
20. **Second Quarterly Contract** shall mean type of securities future index contract issued in certain month and due on certain Exchange Day in the subsequent quarterly month after the closest quarterly month of the relevant month.
21. **Periodic Contract** shall mean type of securities future index contract issued on certain Exchange Day and due on certain Exchange Day.
22. **Initial Margin** shall mean an amount of money that must be paid by the Exchange Member to KPEI as guarantee for settlement of each transaction of securities future index contract.
23. **Multiplier** shall mean Rupiah value per one point of Security Index.
24. **Open Short** shall mean open selling position on securities future index contract (open selling agreement).
25. **Open Long** shall mean open buying position on securities future index contract (open buying agreement).
26. **Limitation of Transaction** shall mean the action of the Exchange that limits the Exchange Member to add new contract position.
27. **Surabaya Stock Exchange Futures Automated Trading System (SSX-FATS)** shall mean automatic trading facility of future contract by using computer facility through the Exchange.
28. **SSX-FATS Trader** shall mean individual that owns SSX-FATS trading facility training certificate and is registered with the Exchange as the holder of Approval of Registration of FATS *Trader* (SPP-FATS Trader).
29. **Types of Securities Future Index Contract** shall mean types of contract issued and traded through SSX-FATS.

30. **Offsetting Transaction** shall mean transaction held by the Exchange Member before the contract due date by holding a transaction contradicting with open position owned for the same type of securities future index contract.
31. **Underlying** shall mean Security Index that becomes the basis of trading of securities future index contract.

B. OPENING OF SECURITIES FUTURE INDEX CONTRACT

1. Securities future index contract can be opened and traded by the Exchange Member, both in its own interest and its customers' interests.
2. Securities future index contract can only be opened and traded by the Exchange Member that fulfills the requirements and procedure for SSX-FATS operation as contained in the Guidelines on SSX-FATS Application and provisions as already determined in the Regulations of KPEI (Clearing Guarantee Institution) to become Clearing Member of KPEI.

C. CUSTOMER ORDER

1. The Exchange Member can only open and trade securities future index contract for customers who have account of securities future index contract.
2. Account of securities future index contract shall contain rights and obligations of customers with the Exchange Member, including the obligations of customers to provide Initial Margin.
3. The order that can be performed at the Exchange by the Exchange Member shall be limited order, namely the one made by the Exchange Member until the price limit fixed by its customers.
4. Any instruction on selling order and or buying order shall be recorded in marketing department, which contains data on time and serial number of order, identity of customer, account number of customer, quantity of order, name (or code) of securities future index contract, price of securities future index contract, type of transaction (Short/Long), and status of order position (open/close), before being included in SSX- FATS.
5. Form of order if trade of securities future index contract at the Exchange shall consist of:
 - a. *Short order*, namely consisting of *Open Short* and *Close Short*;
 - b. *Long order*, namely consisting of *Open Long* and *Close Long*.

6. The Exchange Member shall not hold any transaction outside the Exchange, both in its own interest and its customers' interests in securities future index contract.

D. TIME OF TRADE

1. Trading of securities future index contract shall be performed during the trading hours, by referring to Western Indonesia Time stated in SSX-FATS, starting from Monday to Friday with the following provisions:
 - a. Monday to Thursday:
 - 1). Session 1 from 09:15 to 12:00 Western Indonesia Time ; and
 - 2). Session 2 from 13:30 to 16:15 Western Indonesia Time ;
 - b. Friday:
 - 1). Session 1 from 09:15 to 11:30 Western Indonesia Time ; and
 - 2). Session 2 from 14:00 to 16:15 Western Indonesia Time ;
 - c. Time of end of trading of securities future index contract as referred to in point D.1.a and b of this regulation shall not apply to trading of securities future index contract that is due on the Last Trading Day of the relevant securities future index contract ;
 - d. Time of end of securities future index contract on the Last Trading Day as referred to in point D.1.c. of this regulation shall be contained in the Circular of Board of Directors of the Exchange.
2. For trading of securities future index contract with foreign index *Underlying*, the Exchange can stipulate trading hours and Exchange Day by following trading hours and Exchange Day during which the index can become reference through the Circular of Board of Directors of the Exchange and shall be approved by KPEI (Clearing Guarantee Institution).

E. SPECIFICATION OF CONTRACT

1. Specification of contract shall contain among others, type of contract, Initial Margin, Code of securities future index contract , *Underlying* Type of securities future index contract , Multiplier, and determination of settlement price.
2. Specification of contract as referred to in point E.1 of this regulation shall be as follows:
 - a. Type of contract can come from particular (individual) Security Index or a group of securities from another Stock Exchange, Exchange or by Securities on another exchange that becomes *Underlying* securities future index contract from in the home country and overseas;
 - b. Each type of contract owns Code of securities future index contract contained in trading system for each *Underlying*;

- c. Initial Margin applied to each type of contract shall be stipulated as follows:
 - 1). If Initial Margin is determined in percentage, it should reach at least 3% (three percent) of Contract Value per transaction;
 - 2). If Initial Margin is determined in currency unit, it should reach at least Rp 1,000,000.00 (one million Rupiah) per contract;
 - d. Type of traded securities future index contract shall be contract with particular due date and contract with particular contract period. Type of securities future index contract that can be used shall be as follows:
 - 1). Monthly Contract;
 - 2). Second Monthly Contract;
 - 3). Rolling Contract;
 - 4). Quarter Contract;
 - 5). Second Quarter Contract;
 - 6). Periodic Contract;
 - e. The Exchange shall determine the contract month or contract period through announcement within not later than 3 (three) days before trade of certain type of securities future index contract applies, containing among others:
 - 1). Code of securities future index contract;
 - 2). Dates of beginning contract period and the Last Trading Day;
 - 3). Date of Final Settlement Day;
 - f. Multiplier applied in securities future index contract shall range between Rp 40,000.00 (forty thousand Rupiah) and Rp 2,000,000.00 (two million Rupiah) per index point;
 - g. Determination of settlement price shall be based on the Price of securities future index contract and or Point of Security Index.
3. Explanation on implementation of the contract specification as referred to in point E.2 of this regulation in each securities future index contract shall be contained in the Circular of Board of Directors of the Exchange.
 4. Securities future index contract that can be opened and transacted at the Exchange shall be the one that conforms to the Circular of Board of Directors of the Exchange as referred to in point E.3 hereof.
 5. The contract specification and the amendment thereto as explained in the Circular of Board of Directors of the Exchange according to point E.2 hereof shall have obtained prior approval from KPEI (Clearing Guarantee Institution).
 6. The Exchange shall announce the contract specification and the amendment thereto within not later than 3 (three) Exchange Days before they are made effective through an electronic facility or other facilities owned by the Exchange.

F. TRADING PROCEDURE

1. Trading Board:
 - a. The Exchange shall present information on Type of traded securities future index contract through announcement board of SSX-FATS on each Exchange Day;
 - b. Trading of securities future index contract shall be organized through SSX-FATS based on bargaining process on continuous tender and negotiation basis during trading hours as referred to in point D hereof;
 - c. Trading board in SSX-FATS shall consist of regular market and negotiation market;
 - d. Opening of securities future index contract and trading of securities future index contract in regular market shall be held on continuous tender basis with the following provisions:
 - 1). Opening of securities future index contract and trading of securities future index contract occur when bid and offer meet at the same offer price by taking into account price and time priority principle, provided that:
 - a) bid at higher Offer Price has more priority to bid at lower Offer Price;
 - b) offer at lower Offer Price has more priority to offer at higher Offer Price;
 - c) if there are 2 (two) bids or 2 (two) offers submitted at the same Offer Price, priority shall be given to those submitted first;
 - d) if the bids are submitted earlier than the offers at lower selling Offer Price, transaction shall occur at buying Offer Price;
 - e) if the offers are submitted earlier than the bids at higher buying Offer Price, transaction shall occur at selling Offer Price;
 - 2). SSX-FATS shall unite 1 (one) bid or offer entirely and partly, with 1 (one) other bid or offer entirely and partly;
 - 3). If there are remaining bids and or offers in the uniting process as referred to in point F.1.d.2). hereof at end of trading hours of the Exchange Day, the bids and or offers that are not transacted shall not be effective anymore;
 - 4). Before transaction occurs, *FATS Trader* can change or annul the bids and or offers that have been included in SSX-FATS, under the following provisions:
 - a) addition to the contract amount at the same Offer Price shall be treated as new offer;
 - b) reduction of the contract amount at the same Offer Price shall not change time priority;
 - c) change of Offer Price shall not change time priority of the relevant offer;
 - e. Opening of securities future index contract and trading of securities future index contract in negotiation market shall be performed with the following agreements:
 - 1). Transaction on negotiation basis shall occur if:
 - a) the Exchange Member unites the offers and bids from different customers, or fulfills the offers and or bids of its customers on the same contract at the same Offer Price and volume; or

- b) two Exchange Members agree to unite the offers and bids that occur outside the Exchange;
 - 2). To be processed into the Exchange transaction, the Exchange Member (selling or buying) shall submit the agreement data to FATS during trading hours on the relevant Exchange Day, and the opponent Exchange Member shall confirm it immediately with FATS on the data submitted by the Exchange Member of its opponent transaction. Transaction shall bind if confirmation through FATS has been submitted.
2. Price Range and Price Fraction:
- a. Range of buying Offer Price and or selling Offer Price for opening of securities future index contract on the first day of trading shall be based on the closing point of Security Index in Underlying market on the previous Exchange Day;
 - b. Range of buying Offer Price and or selling Offer Price for trading of securities future index contract on the subsequent day shall be based on the Daily Settlement Price of securities future index contract on the previous Exchange Day determined by KPEI;
 - c. Maximum limitation of range of offer shall be imposed on securities future index contract other than the type with the closest due date. The range limitation size shall be contained in the Circular of Board of Directors of the Exchange;
 - d. Price fraction that is used in bargaining process for each securities future index contract shall range from 0.01 (zero point zero one) to 5 (five) index point. Explanation on implementation of price fraction in each securities future index contract shall be contained in the Circular of Board of Directors of the Exchange.
3. *Open Long /Open Short* and Daily Fluctuation
- a. Maximum open position for *Open Long* and *Open Short* shall be determined based on availability of Initial Margin;
 - b. Maximum daily fluctuation for each type of contract shall be adjusted to Initial Margin of each Underlying with the following provisions:
 - 1). If Initial Margin is in percentage, maximum daily fluctuation shall be the same as the percentage of Initial Margin;
 - 2). If Initial Margin is in currency unit, maximum daily fluctuation shall be Initial Margin divided by Multiplier of securities future index contract (in security point unit);
 - 3). Maximum daily fluctuation shall not apply on the Last Trading Day.
4. Contract Value and Exchange Transaction Value:
- a. Contract Value shall constitute Rupiah value of price of securities future index contract when it is opened;

- b. Exchange Transaction Value shall indicate the size of rights and obligations of each party, both selling and buying parties, which are determined based on difference between the price of securities future index contract at the opening or trading of securities future index contract at settlement price.
5. On each Exchange Day, the Exchange shall issue:
 - a. List of Exchange Rate of securities future index contract containing daily data on information on trading of securities future index contract, among others types and price of securities future index contract, contract volume and the best offer and bid;
 - b. List of Transaction of Exchange of securities future index contract containing information on transaction of securities future index contract of each Exchange Member that covers among others, selling and buying Exchange Members, and other matters considered necessary.

G. LIMITATION OF TRANSACTION DUE TO POTENTIAL LOSS

1. If during trading hours, the Exchange Member suffers from a potential loss up to a certain percentage of the Initial Margin as determined by KPEI (Clearing Guarantee Institution), the Exchange shall limit Transaction, and the relevant Exchange Member shall be obliged by KPEI to add the Initial Margin.
2. If the Exchange Member can add the Initial Margin until it reaches a certain percentage level as determined by KPEI or the potential loss reduces, the Exchange shall revoke the Transaction Limitation.
3. Bid and or offer that has been included in SSX-FATS by the Exchange Member, which is imposed by the Transaction Limitation, shall be declared ineffective, except offer and or bid to reduce the amount of Securities Future Index Contract that is still open.

H. TRANSACTION SETTLEMENT

1. Settlement of transaction of securities future index contract shall constitute fulfillment of obligation of the Exchange Member to KPEI, which the implementation thereof is regulated in the Regulations of KPEI.
2. Settlement of transaction of securities future index contract shall be based on settlement price that covers:
 - a. Daily Settlement Price;
 - b. Final Settlement Price.

3. Settlement of transaction of securities future index contract includes:
 - a. Daily Settlement
 - 1). KPEI shall determine rights and obligations on each end of trading day on securities future index contract that is still open for daily settlement;
 - 2). The determination of rights and obligations shall be based on calculation of difference of price of securities future index contract from Daily Settlement Price ;
 - 3). Calculation of Daily Settlement Price of securities future index contract shall apply the price of securities future index contract in regular market ;
 - 4). The price of securities future index contract resulting from the transaction between the same Exchange Member in regular market shall not be used in the calculation of Daily Settlement Price;
 - b. Final Settlement
 - 1). KPEI shall determine rights and obligations on the Last Trading Day on securities future index contract that is still open for final settlement;
 - 2). The determination of rights and obligations shall be based on calculation of difference of price of securities future index contract from Final Settlement Price ;
 - 3). Calculation of Final Settlement Price of securities future index contract shall apply Security Index in Underlying market.
4. Calculation method of settlement price shall be further explained through the Circular of Board of Directors of the Exchange.
5. The result of settlement price determination by KPEI based on the settlement price calculation method as referred to in point H.4 hereof shall be implemented by the Exchange Member.
6. Settlement of securities future index contract shall be in cash by delivering an amount of money that constitutes the difference of price of securities future index contract that is still open at settlement price, both the price resulting from transfer or termination of contract and the one determined by KPEI.
7. Rights or obligations of the Exchange Member resulting from transaction of securities future index contract shall be contained in the Clearing Result List of Future Contract issued by KPEI, containing information on the rights or obligations of each Exchange Member for KPEI that at least includes:
 - a. position of securities future index contract owned by the Exchange Member;
 - b. rights or obligations in the form of money that will be received or must be paid by the Exchange Member.
8. Additional Initial Margin:

- a. the Exchange Member shall pay additional Initial Margin to KPEI that reduces due to settlement of transaction;
- b. the Additional Margin shall be paid on the subsequent Exchange Day (T+1).

I. FAILURE OF TRANSACTION SETTLEMENT

1. Transaction is limited in case of failure of settlement:
 - a. If until 8:00 Western Indonesia Time on the subsequent Exchange Day (T+1), the Exchange Member fails to fulfill its obligation according to the List of Clearing Result of Future Contract as regulated in the Regulations of KPEI (Clearing Guarantee Institution), based on the report of KPEI, the Exchange shall impose Transaction Limitation on the relevant Exchange Member;
 - b. The Exchange Member imposed by Transaction Limitation shall only hold Offsetting Transaction, namely Securities Future Index Contract transaction by uniting *Close Long* order with *Open Short* order or *Close Short* order and or uniting *Close Short* order with *Open Long* order or *Close Long* order;
 - c. If until 16:00 Western Indonesia Time (T+1), the Exchange Member still fails to fulfill its obligation according to the List of Clearing Result of Future Contract as regulated in the Regulations of KPEI, the relevant Exchange Member shall be declared failing the payment by KPEI and the Exchange shall suspend the relevant Exchange Member.
2. Provision on payment failure settlement shall be regulated in the Regulations of KPEI.
3. If the Exchange Member that fails the payment has fulfilled its obligation to KPEI according to the Regulations of KPEI, the suspension as referred to in point I.1.c of this regulation shall be annulled

J. TRANSACTION COST

1. The Exchange shall impose transaction and clearing expenses amounting to 0.04% of the Contract Value maximum.
2. The amount of transaction and clearing expenses shall be determined in each contract specification.
3. The Exchange Member shall pay Guarantee Fund of Securities Future Index Contract according to the Regulations of Capital Market Supervisory Board (Bapepam) No. III.B.7 regarding Guarantee Fund, for transactions guaranteed by KPEI.
4. The obligations as referred to in points J.1, J.2 and J.3 hereof plus Value Added Tax liability, and other liabilities if any, shall be paid by the Exchange

Member to the Exchange account on not later than the 12th (twelfth) calendar day of the subsequent month.

5. If the 12th (twelfth) day as referred to in point J.4 hereof falls on Saturday or Sunday or holiday, the said obligations shall be effective on the subsequent working day.
6. Delay in liability payment as referred to in point J.4 hereof shall be imposed by penalty of 1% (one percent) of the payable amount per day of delay until 20 (twenty) calendar days maximum.

K. MARKET INTEGRITY

1. In order to maintain arranged, normal and efficient trade, the Exchange shall be authorized to take the following actions:
 - a. to stop trading of securities future index contract on a particular type of securities future index contract, particular Underlying or whole market;
 - b. to suspend trading of securities future index contract of a particular Exchange Member;
 - c. to adjust trading hours and or Exchange Day of securities future index contract;
 - d. to limit open position amount and or price of securities future index contract;
 - e. to adjust contract specification;
 - f. other actions considered necessary.
2. The actions as referred to in point K.1. hereof can be taken by the Exchange if one of the following situations occurs:
 - a. a situation that threatens liquidity or normality of price of securities future index contract ;
 - b. a situation that threatens finance of the Exchange Member and or KPEI (Clearing Guarantee Institution);
 - c. an indication of manipulation and or other activities prohibited by the prevailing legislation on Capital Market;
 - d. a policy of the Indonesian Government or foreign government that directly influences liquidity and normality of price of securities future index contract;
 - e. trading at Underlying market is stopped;
 - f. inconsistency of data transmission due to system disturbance beyond the control of the Exchange that causes the majority or part of the Exchange

Member that have open securities future index contract cannot perform trading

- g. opening of trading hours at Underlying market is delayed due to unusual condition (emergency);
 - h. Underlying is not recorded anymore at the Exchange or provided by the Provider and or manager that is authorized to give Underlying use permit;
 - i. other matters that according to the Exchange need trading stoppage.
3. If the Capital Market Supervisory Board (Bapepam) or Exchange or KPEI finds indication of violation committed by the Exchange Member against the Exchange Regulations and or legislation on Capital Market, the Exchange shall impose Transaction Limitation on the relevant Exchange Member. Therefore, the Exchange Member shall only be allowed to hold Offsetting Transaction on securities future index contract owned that is still open until there is a decision and or clarification on violation from the competent authorities.
4. If the Exchange suspends the Exchange Member not because of payment failure, but at the request of the Capital Market Supervisory Board (Bapepam) or KPEI or based on the Exchange's consideration or the request of the relevant Exchange Member, whereas the relevant Exchange Member still owns open securities future index contract, the Exchange member shall hold Offsetting Transaction on the same Exchange Day as the day of suspension, or other actions considered necessary.
5. The actions taken by the Exchange as referred to in point K.1. hereof shall be reported to the Capital Market Supervisory Board (Bapepam) within not later than 1 (one) Exchange Day since the action is taken.
6. The Exchange can determine Underlying data for reference of offer price, calculation of settlement price, and so forth, in trading of securities future index contract.

Stipulated in: Jakarta

On: October 30, 2006



Bastian Purnama
President Director



Sihol Siagian
Director

I, **Anang Fahkcrudin**, 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 31, 2007