

CHAPTER I

GENERAL PROVISIONS

1.1 DEFINITIONS

For the purpose of these Rules, what is meant by:

1. **Commodity Auction Market**, hereinafter referred to as ACM Auction Market, is an organized physical market for buyers and sellers to conduct commodity transactions through an auction system with commodity delivery in this case organized by PT Asia Commodity Marketplace (ACM).
2. **PT Asia Commodity Marketplace**, hereinafter referred to as ACM, is a legally established Commodity Auction Market organizer that conducts spot and/or forward Auction Market using an electronic auction system with commodity delivery.
3. **Commodity** or **Commodities** is/are good(s) that meet the requirements to be traded in the ACM Auction Market.
4. **Guarantee Institution** is PT Asia Commodity Clearing House, hereinafter referred to as ACCH, a legal entity cooperating with ACM to register, clear, and guarantee transactions that occur on the Auction Market.
5. **ACM Auction Market Members** are Selling Participants and/or Buying Participants consisting of Traders and Trading Intermediaries who have been approved by ACM.
6. **Seller** is ACM Auction Market Members who placed the sell order.
7. **Buyer** is ACM Auction Market Members who placed the buy order.
8. **Trader** is a Member which may act as a Seller and/or Buyer to conduct transactions directly in the ACM Auction Market.

9. **Broker** is a legal entity in the form of a limited liability company which has become a Member of ACM and is entitled to receive a mandate from a Third Party to conduct transactions in the ACM Auction Market.
10. **Third Party** is a party giving mandate to the Broker.
11. **Electronic Trading System (ETS)** is an internet based electronic device for Commodity trading with the auction mechanism as provided by ACM.
12. **Commodity Ownership Certificate (SKK)** is a document issued by the Warehouse Manager to prove the ownership of the Commodities that includes at least: the owner's name, type, quality, quantity, and weight of goods.
13. **Warehouse Receipt (RG)** is a proof of ownership of the goods stored under the Warehouse Receipt System (SRG) of the warehouse as issued by the SRG Warehouse Manager.
14. **Warehouse** is a stationary enclosed and/or open space that is not intended for public access, but is used specifically as a place for storing goods that can be traded and not for personal use, which is used for collateral and physical delivery managed by the Warehouse Manager who works with ACCH and is appointed by ACM.
15. **Warehouse Manager** is a business entity that collaborate with ACCH and conduct trading activities using their own warehouse or those belonging to others, which store, maintain, supervise goods, record such goods, and issue SKK for commodity delivery to the owners of the goods.
16. **Surveyor** is a party in cooperation with ACCH to perform quality testing, verification, and/or technical surveillance on the Commodities.
17. **Transaction Guarantee** is a Commodity that will be exchanged, money, or securities or Warehouse Receipts or SKK and/or other assets determined by

ACCH that are placed or deposited by ACM Auction Market members to guarantee the execution of transactions between sellers and buyers on the ACM Auction Market with Spot Settlement and/or Forward Settlement.

18. **Risk Guarantee** is the amount of money or securities deposited by the Member for the fulfilment of financial obligations in ACCH.

19. **Trading Day** is the day of the auction, as stated in the Contract Specification.

20. **Commodity Specification** or **Contract Specification** is the Contract that includes at least: the type, code, quantity, quality, the Trading Day, time of trading, delivery location, submission procedure, and date of completion.

21. **Contract** is a Commodity Contract in accordance with the Contract Specification being traded on the ACM Auction Market.

22. **Forward Contract** is an Contract with deferred settlement.

23. **Spot Contract** is an Contract with immediate settlement.

24. **Daily Settlement Price** is the daily settlement price of the Forward Contract set by ACM as the daily settlement price for the Forward Contract.

25. **Depository Bank** is a commercial bank appointed by ACM to keep the Transaction Guarantee and Risk Guarantee in ACCH.

26. **Member Account** is an account to record and accommodate all transactions and financial activities of the Member with respect to the transactions of Commodity in the ACM Auction Market.

27. **Segregated Account** is a special account at the Depository Bank:

- a. Under the name of ACCH to be used to deposit funds of the Member and separated from the assets of ACCH;
- b. Under the name of the Broker to be used to deposit funds of the Third Party and separated from assets of the Broker.

28. **Circular Letter** is a written notification to all Members concerning policies established by ACM and required to be copied to the Head of Bappebti. The Circular Letter shall include joint circular letters issued with ACCH.

29. **Violation** is any action or activity of the Member that does not comply with the Rules and Regulations of ACM.

1.2 INTERPRETATION

In these Rules, unless otherwise stipulated:

1. ACM Rules and Regulations, have the same meaning as the terms contained in the laws and regulations (including but not limited to, the regulation of the Commodity Futures Trading Regulatory Agency (Bappebti)).
2. Headings or subheadings are provided for convenience and shall not affect the interpretation of these Rules of ACM.
3. The term "**Written**" shall include all the products of printed document, fax, electronic mail, any other means used to reproduce words or data in the visible form.
4. Reference to the ACM website under these Rules refers to the website as designated in the Circular Letter.
5. Currency unit "**IDR**" shall refer to Indonesian Rupiah and "**\$ (US\$/USD)**" shall refer to United States Dollar.
6. Currency Unit "**\$ (US\$/USD)**" shall only be used in Contract for International Trading.
7. Time or trading time shall refer to Western Indonesian Time (WIB) or Greenwich Mean Time+7 Hours (GMT+7).

8. Every decision made by ACM shall be final and binding, in relation with the interpretation of the terms of these Rules, unless specifically stipulated in the provisions of laws and regulations.

1.3 BINDING PROVISIONS

These Rules shall apply as binding provisions between ACM and the Members, among other Members; including but not limited to the agreements entered in connection with the functions and duties of ACM.

1.4 AMENDMENTS AND AD HOC PROVISIONS

1. ACM shall reserve the right to amend the provisions of these Rules. Amendments to the provisions of these Rules shall apply only after obtaining approval from the Head of Bappebti.
2. ACM may enact ad hoc provisions insofar as it does not conflict with the laws and regulations, and the Head of Bappebti shall be notified of all enacted provisions through written notice.

1.5 AUTHORITY TO ISSUE CIRCULAR LETTER

ACM is authorized, from time to time, to issue a Circular Letter, with copies sent to the Head of Bappebti.

1.6 GOVERNING LAW

These Rules is made and governed by the laws and regulations of the Republic of Indonesia. All forms of interpretation of these rules should be based on the laws in force in the Republic of Indonesia.

1.7 LANGUAGE

1. These Rules and Circular Letter, and all other documents prepared in connection with these Rules or the duties and functions of ACM shall be made in Indonesian Language.
2. In the event that the said Rules and Circular Letter are translated into foreign languages and there is a difference in understanding and/or interpretation with the Indonesian Language translation, the understanding and/or interpretation of the Rules in Indonesian Language shall prevail.

1.8 DISCLAIMER OF LIABILITY

1. ACM assumes no responsibility or liability for any loss or damage suffered by the Member(s) and/or by any related party, as a result of (including but not limited to):
 - a. any Force Majeure;
 - b. any losses or damages, including the consequences of the loss thereof, which is caused by the action of Member or other related parties, which are directly or indirectly associated with the performance of the activities and functions of ACM;
 - c. there is default, negligence, or errors of ACCH.
2. ACM assumes no responsibility or liability for any installation, construction, and operation of the system that results (including but not limited to) in:
 - a. incompatibility with the IT devices of the Member;
 - b. loss of operating time of the software;
 - c. loss of potential profit from the transaction.

1.9 INDEMNIFICATION

1. Each Member shall indemnify and hold ACM harmless and bear any losses, costs, expenses, damages incurred by ACM and all liabilities arising out of, or relating to violations of the Member and/or any Third Party, as the result of unlawful actions, or negligence of the said Member.
2. Notwithstanding to the provisions of paragraph (1) above, each Member shall indemnify ACM from any financial found in any jurisdiction, either in the form of a penalty or a financial settlement which must be paid by ACM in relation to legal proceedings and administrative actions brought against ACM as the result of the violations of or alleged violations of Member and any Third Party with regards to the Rules and Regulations of ACM and any Circular Letter issued by ACM.

1.10 SEVERABILITY

In the event that one or more provisions of these Rules becomes void or unenforceable due to changes in legislation, legally binding court decisions, rules or decisions of agencies or officials, it shall not affect the validity of the remaining provisions of these Rules.

1.11 CONFIDENTIALITY

1. ACM shall maintain and preserve the confidentiality of all information related to the Member(s).
2. The information as referred to in Clause 1.11.1 shall include, but is not limited to:

- a. Ownership position of a number of Commodities and Warehouse Receipt held by the Member;
 - b. Financial Information and Risk Guarantee of the Member;
 - c. Contract of the Member;
 - d. Transaction Data of the Member;
 - e. Dispute resolution process of the Member;
 - f. Other matters as determined by ACM from time to time.
3. ACM endeavours to take all steps necessary to maintain and protect such confidential information.
4. ACM is required to provide such confidential information at the request of Bappebti, Police, Prosecutors, Courts, Government Institution or Agency and/or other competent authorities for the purpose of law enforcement.

CHAPTER II

MEMBERSHIP

2.1 TYPES OF MEMBERSHIP

ACM establishes membership types consisting of:

1. Trader

A Trader may be an individual, a cooperation, or a legal entity which comprises:

- a. farmer/producer;
- b. agriculture group/business;
- c. cooperatives;
- d. manufacturer;
- e. industry;
- f. supermarket;
- g. exporter; and/or
- h. other types of business.

The Trader shall act on behalf of itself either as a seller or a buyer to conduct transactions in ACM.

2. Broker

- a. The Broker acts based on the mandate of the Third Party to conduct transactions in the ACM Auction Market.
- b. The Broker may accept the Third Party in the form of company to conduct transactions of Commodity in the ACM Auction Market.
- c. The Broker shall take reasonable steps to understand the Third Party's background, financial situation, and knowledge of commodity trading.

- d. The Broker is required to have trading rules and a mandate agreement with the Third Party in the format and contain as previously approved by ACM and reported to the Head of Bappebti.
- e. The format and content of the trading rules and mandate agreement with the Third Party as referred to letter (d) shall be regulated in a Circular Letter.

2.2 MEMBERSHIP REQUIREMENTS

2.2.1 ADMINISTRATIVE REQUIREMENTS

The requirements to become an ACM Auction Market Member are at least:

- a. Individual:
 - i. Identity Card;
 - ii. Taxpayer Identification Number (*NPWP*).
- b. Legal Entity and/or Corporation:

Shall submit a copy of the following documents supported by the original:

- i. Deed of Incorporation and the amendment thereto;
 - ii. Taxpayer Identification Number (*NPWP*);
 - iii. Identity Card/Passport of the Board;
 - iv. Business Identification Number (*NIB*);
- c. Prepare and submit a written statement on the reputation and integrity of a good business, which among other states:
 - i. That the prospective member has never committed an economic or financial crime;
 - ii. That the prospective member has never been blacklisted by any banking institution; and

- iii. That the prospective member has never been declared as insolvent within the last 5 (five) years.
- d. With respect to the Broker, it shall have experts in the field of Commodities and Standard Operational Procedures (SOP), which includes risk management system, compliance, internal controls, and Business Continuity Plans (BCP).
- e. Shall meet the financial requirements as set by ACM.

2.2.2 CAPITAL CONDITIONS

- a. To maintain the integrity of the Commodity Auction Market, ACM shall decide the amount of capital and financial obligation, to be issued in a Circular Letter;
- b. The capital requirement for the Broker is that there is at least a paid-up capital of IDR 10 billion (ten billion Indonesian Rupiahs).

2.3 SUBMISSION OF APPLICATION

Application for membership in ACM must be submitted by the applicant or prospective Member by completing the membership form and attaching the documents as required by ACM.

2.4 ASSESSMENT OF THE PROSPECTIVE MEMBERS

- 1. ACM and/or ACCH shall conduct fit and proper tests in assessing any prospective Member.

2. ACM may perform direct inspection of the office or place of business of the prospective Member to confirm the accuracy of the supporting statements and information.
3. The Membership Committee may provide suggestions and recommendations to ACM with regards to the feasibility of the prospective Member.

2.5 APPROVAL AND REJECTION

1. ACM shall give the approval or rejection for the membership application no later than seven (7) working days after the application document is completed and correct.
2. The prospective Member whose membership application has been approved shall pay the membership fee in full no later than seven (7) working days from the receipt of the letter of approval for membership. In the event that payment is not received by the stipulated deadline, the prospective Member will be considered resigning.
3. The prospective Member which has had its membership application rejected may resubmit the application after a period of three (3) months from the date of notice of rejection.
4. In the event the Broker, after a successful application for membership, does not perform any trading activities for 6 (six) continuous months, ACM has a right to revoke its membership.

2.6 CHANGES IN MEMBERSHIP DATA

The Member shall report any changes in membership data to ACM **no later** than 14 (fourteen) working days after such changes.

2.7 RIGHTS AND OBLIGATIONS OF THE MEMBERS

1. Each ACM Member shall be entitled to:

- a. Obtain ETS facility and its username and password.

Traders and Brokers shall obtain a transaction account with its username and password to perform direct transactions through ETS to ACM Auction Market.

- b. Obtain transparent market price information through the available media.
- c. Obtain daily transaction data report.
- d. Obtain information related to the changes in Rules and Regulations, Circular Letter, and announcements regarding trading activity.
- e. Obtain equal treatment from ACM.
- f. Propose Commodity to be traded in ACM.
- g. Use the name, logo, trademark of ACM for the purpose of promotion, education, and communication.
- h. Contribute to trading simulation activity or testing of new products to be registered in ACM Auction Market.

2. Each ACM Member is obligated to:

- a. Adhere and uphold discipline, code of ethics and the applicable regulations in the ACM Auction Market.
- b. Comply with all procedures, risk management systems, as well as the technical and operational requirements as set by ACM.
- c. Provide information and data required by ACM in terms of (but not limited to):
 - i. ACM audits;

- ii. The interest of maintaining transaction integrity;
 - iii. Requests from Bappebti, Police, Attorney General's Office, Courts, Government Institutions or agencies and/or other authorized authorities in the context of law enforcement interests.
 - d. Conduct orderly and organized administration on the performed transaction.
 - e. Meet and maintain financial requirements and guarantees and other financial liabilities as set by ACM and/or ACCH.
 - f. Provide testimony in any dispute settlement as requested by ACM and/or ACCH.
 - g. Bear liability for any negligence, fault, violation of any applicable provisions in the ACM Auction Market.
3. Particularly for Broker
- a. Right of Brokers

Brokers have a right to perform transaction under the mandate of a Third Party.
 - b. Obligations of Brokers
 - i. Brokers shall perform all instructions of the Third Party in the ACM Auction Market and prohibited to perform in contradiction of such instruction.
 - ii. Brokers shall collect the Transaction Guarantee before performing instructions of the Third Party.
 - iii. Save Transaction and Financial Report for at least 5 (five) years.

2.8 RESIGNATION

1. Members may apply for resignation along with the reasons in writing to ACM, no later than thirty (30) calendar days prior to the effective date of the resignation.
2. Resignation may be approved if:
 - a. On the effective date of the resignation, the Member does not have an Contract.
 - b. It has fulfilled all the administrative and financial obligations.
3. Resignation of any Member does not release it from the obligations arising as a result of the transactions carried out before the effective date of the Member's resignation.
4. The resignation shall be effective after the issuance of a decree deciding the same by ACM.

2.9 COMPLIANCE

Members shall comply with and observe all laws and regulations of the Republic of Indonesia and the Rules and Regulations of ACM.

CHAPTER III

ACM COMMITTEE

3.1 PURPOSE OF THE COMMITTEE

In order to create a fair, efficient, transparent, and equitable auction system, ACM may establish a Committee to obtain suggestions and recommendations.

3.2 COMMITTEE MEMBERSHIP

1. ACM may establish an Auction Market Committee as follows:
 - a. Membership Committee and Auction;
 - b. Commodity Committee;
 - c. Arbitration Committee.
2. Members of the ACM Auction Market Committee consist of:
 - a. Sellers and Buyers of ACM Members;
 - b. Commodity practitioners, legal practitioners, associations, academics who understand and know about Commodity auction trading; and
 - c. Other entities as set by ACM.
3. The Committee shall consist of a minimum of 3 (three) members.

3.3 MEMBERSHIP AND AUCTION COMMITTEE

The membership and auction committee conducts research and analysis on membership applications, assesses the eligibility and suitability of members, and assists in the implementation and supervision of auction in order to provide advice and recommendations. The Membership and Auction Committee held at a minimum of 2 (two) times within 1 (one) year.

3.4 COMMODITY COMMITTEE

The Commodity Committee carries out the development of Commodity including studies, the making of Contract Specification, evaluation of trading performances and providing recommendations to ACM.

3.5 ARBITRATION COMMITTEE

1. The Arbitration Committee facilitates any dispute settlement arising between Members of ACM through deliberation and/or mediation;
2. If any dispute settlement by deliberation and/or mediation fails, the dispute settlement shall be resolved by the Arbitration Committee.

3.6 CONFIDENTIALITY

Committee Members shall keep confidential any related information.

CHAPTER IV

TRADING SYSTEM AND TRANSACTION PROCEDURE

4.1 TRADING SYSTEM

1. ACM provides and sets the ETS to implement Commodity trading in the ACM Auction Market.
2. ACM provides a username and password for Member as an access right to the ETS.
3. In the event of an ETS failure, ACM will implement a system failure SOP that members must comply with in trading in the ACM Auction Market.
4. Access and use of ETS are subject to the terms and conditions as set by ACM.
5. Access to and use of ETS is subject to the terms and conditions set by ACM.

4.2 TERMS AND CONDITIONS FOR ETS USAGE

1. Terms
 - a. Each Member shall fulfil its administrative and financial obligations;
 - b. Each Member is not in a status being sanctioned by ACM.
2. Conditions
 - a. Each Member shall maintain the security of the system that has been given by ACM;
 - b. Each Member shall understand and maintain the ETS related to technical, operational, information technology, security, risk management and other matters as regulated by the ACM.

4.3 CONTRACT SPECIFICATIONS

1. Contract specifications set by ACM include at least:
 - a. Type;
 - b. Code;
 - c. Quantity;
 - d. Quality;
 - e. Minimum price change;
 - f. Trading Day;
 - g. Trading Hours;
 - h. Submission procedure;
 - i. Completion date; and
 - j. Transactions guarantee.
2. Contract specifications must be reported to the Head of Bappebti prior to the commencement of commodity contract trading.
3. ACM evaluates and reports each execution of trading of Commodity Contract to the Head of Bappebti.

4.4 TRADING DAY AND TRADING HOURS

1. Trading Day

Trading Days are held from Monday through Friday, unless otherwise specified by ACM in the trading Trading Day calendar.

2. Trading Hours

Trading Hours are stipulated in the contract specifications;

Trading Hours may be changed according to market participants' needs and must be reported by ACM to the Head of Bappebti.

4.5 TYPES OF TRADE

ACM specifies the trading type of Spot Contract and/or Forward Contract.

4.6 SPOT CONTRACT

Terms of Spot Contract:

1. Members as Sellers who carry out transactions, shall place a Transaction Guarantee in the form of *SKK*, Warehouse Receipt and/or Warehouse Receipt CMA;
2. Members as Buyers who will conduct transactions must place Transaction Guarantees in the form of money, securities, bank deposits, Letters of Credit or Domestic Letter of Credit (*SKBDN*) or Bank Guarantees and / or other assets determined by ACCH;
3. The Transaction Guarantee shall be placed in ACCH before the transaction, in accordance with the provisions and procedures for the acceptance of guarantee that will be stipulated in the Rules and Guarantee Procedures of ACCH.

4.7 FORWARD CONTRACT

Terms of Forward Contract:

1. Members who will conduct transactions, must place Transaction Guarantees and Risk Guarantees, among others in the form of a sum of money, securities, bank deposits, Bank Guarantees, Letters of Credit or Domestic Bank Certificates (*SKBDN*), *SKK*, CMA Warehouse Receipt or Warehouse Receipt and / or other assets determined by ACCH.
2. Transaction Guarantee and Risk Guarantee shall be placed in ACCH before conducting transactions, in accordance with the provisions and procedures for

the acceptance of guarantee that will be stipulated in the Rules and Guarantee Procedures of ACCH.

4.8 TRADE PROCEDURES

1. Traders and Brokers

Members acting as Traders and Brokers shall receive Member Account, username, and password from ACM to conduct transactions via the ETS.

2. Members who have obtained the username and password can conduct transactions according to the percentage of the national value of the contract placed as Transaction Collateral at ACCH.

4.8.1 SPOT CONTRACT

1. Winners and Auction Price will automatically be matched by ETS to the algorithm as follows:

- a. Basic Price of Contract Specification at the opening of trading hours is determined based on self- calculation price (*HPS*) collected from the sellers.
- b. The determination of the auction price is determined by calculating the cumulative bid and cumulative offer.
 - i. Cumulative bid is the aggregate number of lots on the buyer side (bid) which is calculated from the highest price to the lowest price.
 - ii. Cumulative offer is the aggregate number of lots on the seller side (offer) which is calculated from the lowest price to the highest price.

- c. Cumulative bid and cumulative offer at each same price is matched to one another, resulting in an equivalent number of lots (matched) and the number of lots that are not equivalent (unmatched).
- d. If the equivalent (matched) number of lots contains only 1 (one) largest number, then the price becomes the price of the auction.
- e. If the equivalent (matched) number of lots are more than one substantial price, then the price contained in the unmatched number is equals to 0 (zero) to the auction price.
- f. If in point (e) the number of unmatched with 0 (zero) value is more than one, it will be compared with auction base price. A price equal to or closest to the base price auction will become the price of the auction.
- g. If in point (f) the number of matched value is more than 1 (one) then the number of unmatched value will be sought from the candidates of highest matched value with the following conditions:
 - i. If all the unmatched numbers are more selling lots (unmatched negative), then the price of the candidates who have the unmatched numbers closest to 0 (zero) will become the price of the auction;
 - ii. If all the unmatched numbers are more selling lots (unmatched negative), then the price of the candidates who have the unmatched number closest to 0 (zero) becomes the price of the auction;
 - iii. If the price of the candidates contains unmatched negative and unmatched positive, then one candidate price of the unmatched negative and one candidate price of unmatched positive which

are contiguous will be selected. From the two candidates' prices, the price equal to or closest to the Suggested Opening Bid (SOB) becomes the price of the auction.

2. ETS will automatically allocate the number of transactions that occurred between the winners of the auction price (round robin) and inform the winners of the auction.
3. Member who has received allocation information:
 - a. The winners of the buy auction are required to settle their financial obligations;
 - b. The winners of the sell auction are required to submit to ACCH, all the documents necessary for the completion of the transaction, among others: the power of attorney for the transfer of rights, Certificate of Origin (COO), Certificate of Analysis (COA), Invoice, Packing List and Document of Shipment; and
 - c. The winners of the sell auction and buy auction shall sign a sale and purchase agreement in which the contents shall not change the volume, types of quality and price in accordance with the results of the auction as stated in the Contract Specifications.

4.8.2 FORWARD CONTRACT

1. The Forward Contract mandate shall at least contain:
 - a. Price.
 - b. Quantity.
 - c. Type of mandate:

- i. Market Order is an order to buy or sell immediately at the current market price.
 - ii. Limit Order is an order to buy or sell at a specified price or better.
 - iii. Stop Limit Order is an order to sell (or buy to short) automatically if the price hits a certain level with the aim of limiting losses.
 - iv. Stop Order is an order that activates when the price hits a certain level, then becomes a market order.
- d. Term of the mandate:
 - i. Day is when a mandate is only valid for one trading day. If not executed, it will be automatically canceled at the end of the day.
 - ii. Good Til Date (GTD) is when a trust remains active until a certain predetermined date, unless executed or canceled earlier.
 - iii. Good Til Cancel (GTC) is when the mandate remains active until canceled by the Third Party or executed.
 - iv. Fill or Kill (FOK) is when a mandate must be executed in full, otherwise the entire order is canceled.
 - v. Immediate or Cancel (IOC) is when a mandate must be executed immediately (partially or fully), and the rest is canceled immediately.

2. Transaction prices are automatically matched by the ETS using the following algorithm:

- a. The Contract Specification Auction Base Price at the opening of the first trading day is set based on the self-calculated price (HPS) collected from sellers.
- b. Price matching is determined by price priority and then time priority.

- c. Once the order is matched, the transaction is considered valid and immediately recorded in the ACM system as the last traded price. The matched price is the transaction price of the Contract.
 - d. Forward contracts that have not yet matured can be traded.
 - e. At the end of each trading day, ACM will set the Daily Settlement Price which will be the reference price for the next day's trading.
 - f. For each Forward Contract that has not yet matured (open position), ACM and ACCH will conduct a daily evaluation (mark to market) using the Daily Settlement Price to calculate the Member's financial obligation.
 - g. For Broker Members only, if the Third Party does not fulfil its financial obligations, the Broker has the right to liquidate or reduce the Third Party Contract to limit the risk of loss.
 - h. Upon completion of the end of the day, ACM will send a daily report to Members.
 - i. All Bid Contracts on the due date will be settled by the settlement method as per the contract specifications.
3. In the Daily Settlement Price calculation:
- a. ACM together with ACCH sets the Daily Settlement Price for Forward Contracts.
 - b. The calculation formulation of the Daily Settlement Price will be further regulated in the Contract Specifications and/or Circular Letter.
4. In the Contract risk management:
- a. ACM sets maximum controllable limits and mandatory reporting limits for each type of Contract.

- b. Broker Members are required to report Contracts controlled by Third Parties when they reach the mandatory reporting limit to ACM.

4.9 LARGE VOLUME TRANSACTION

Contract for transactions in large volumes are obligated to meet the terms of transaction volume limit that occurs in the ACM Auction Market as well as other requirements that will be set in the Circular Letter.

4.10 SYSTEM FAILURE

If the ETS is experiencing a system failure, ACM will conduct the following mechanisms:

1. Notify Members of the system failure event;
2. The first termination will be for 120 minutes, since the known failure of the system;
3. If after the first stop, no system failure repair is successful, ACM will run the system failure SOP.

4.11 LIMITS OF TRANSACTION VOLUME

ACM shall set limits on the volume or number of lots that can be traded in accordance with the Transaction Guarantee and Risk guarantee values.

CHAPTER V

TRANSACTION SETTLEMENT

Every transaction that occurs in the ACM Auction Market at maturity is settled in accordance with the settlement of transactions stated in the Contract Specifications.

5.1 DELIVERY PROCEDURES

1. Physical delivery:
 - a. The place of delivery of Commodities at the Warehouse that has been determined by ACM and in collaboration with ACCH.
 - b. The Warehouse Manager issues SKK which is used as proof of delivery in completing the transaction.
2. Forward Contract specifically can be financially settled.

5.2 COMMODITY DELIVERY

1. Commodities delivered in settlement of transactions must be free from disputes, and any form of collateral.
2. All Commodity deliveries are conducted through ACCH to fulfil Contract transactions.
3. ACCH will determine the terms and documents required to perform and complete the delivery as set out in the Contract Specification.

5.3 WAREHOUSE MANAGER OBLIGATIONS

The Warehouse Manager who is designated to issue the mandatory SKK:

1. Store, maintain, manage SKK and show SKK when requested by ACM.

2. Reporting and granting permission for ACM to conduct inspections for the availability of stocks of each Commodity stored or to be transferred from the Warehouse, including documents regarding the quality and origin of the concerned Commodity.

5.4 RELEASE OF LIABILITY

1. ACM is not responsible for any errors or omissions made by the Surveyor against the certificate issued by the Surveyor.
2. ACM is not responsible for any errors or omissions made by the Warehouse Manager towards the management of the Warehouse and the issuance of SKK.

5.5 DEFAULT

1. Any Member that fails to fulfil its obligation related to the transaction settlement is deemed to be in Default.
2. Default includes the following:
 - a. Member's inability to perform or fulfil its obligation of delivery of goods or payment obligation under the Contract Specifications.
 - b. Member's inability to fulfill its obligation related to the Transaction Guarantee and the Risk Guarantee.
3. ACM is entitled to take necessary measures in response to Member's Default, including but is not limited to:
 - a. Suspend Member's transaction;
 - b. Oblige iindemnification for Member's Default.

CHAPTER VI

EVENT OF DEFAULT

The provisions set out under this CHAPTER apply only to non-performance events in ACM.

6.1 EVENT OF DEFAULT

The following are intended to in the Event of Default:

1. Member fails to fulfil its membership financial obligation to ACM;
2. Court petition or order on dissolution, merger, or bankruptcy of the Member;
3. Statement of Default made by the Member according to the Rules of ACCH; or
4. Member is found guilty by a court decision which is final and binding for fraud and/or any other financial crime.

6.2 EVENT OF DEFAULT NOTIFICATION

1. ACM shall notify in writing for non-performance events committed by relevant ACM Member;
2. Written notification as referred to in paragraph (1) shall be submitted to ACCH and the Head of Bappebti.

6.3 ACM'S AUTHORITY IN EVENT OF DEFAULT

ACM's Authority in event of defaults shall include but not limited to:

1. Suspend Member's transaction;
2. Oblige fulfillment of financial obligations to the Member arising from the non-performance events.

CHAPTER VII

VIOLATIONS AND SANCTIONS

7.1 DELEGATION OF AUTHORITY

1. ACM may delegate its authority to the Membership and Auction Committee to conduct investigation, monitoring and imposition of fines or other administrative sanctions for violation of Rules and Regulations.
2. Delegation to the Membership and Auction Committee shall not waive ACM from the responsibility to handle any violation of Rules, both upon its own initiative or application for appeal.
3. ACM shall warn, suspend, or take any other measures deemed appropriate by ACM to any Member that commits a violation.
4. Any Member who fails to comply with these terms and rules is subject to sanction according to the type of violation committed.

7.2 TYPES OF VIOLATION

1. MINOR VIOLATION

Minor violations include but are not limited to:

- a. Any Member committing administrative violation in ACM Auction Market;
- b. Any Member fail to submit activity report to ACM.

2. MAJOR VIOLATION

These major violations include but are not limited to:

- a. Default;
- b. Intentionally colluding to make transactions under prior arrangement;
- c. Making or reporting false or fictitious transaction;

- d. Committing extortion or extortion attempt to other Member;
- e. Manipulating price to corner the market;
- f. Intentionally making false statement or information in writing on ACM or any other party related to ACM, including Bappebti, ACCH, Warehouse Manager, Surveyor, and Depository Bank;
- g. Intentionally spread false reports concerning the condition or state of the commodities supply or market condition, which affect or potentially affect a Commodity in the ACM Auction Market;
- h. Take actions which are not in accordance with the norms prevalent in the trade;
- i. Committing activity that may damage the dignity or reputation of ACM Auction Market;
- j. Committing minor violation more than 2 (twice) in a minimum period of 6 (six) months;
- k. Committing any violation that may be deemed as major violation by ACM.

7.3 TYPES OF SANCTION

1. In the event that any Member commits violation, ACM will impose the following sanction:
 - a. Written Warning
 - b. Fine
 - c. Suspension
 - d. Membership Freeze
 - e. Membership Revocation

2. In the event of revocation of membership, ACM shall notify to the Member whose membership is revoked and reported to the Head of Bappebti no later than 1 (one) day after the date of revocation of membership.
3. Revoked Member may apply for a new membership within 12 (twelve) months from the date of revocation.
4. In the event that the revoked Member is caught committing any economic crime, the revoked Member cannot re-apply for membership.

7.4 NOTIFICATION

1. ACM must report imposition of sanction on the Member to the Head of Bappebti and may announce the violating Member, either through announcement made by ACM or mass media, in print or electronic mail.
2. ACM shall submit written notification to the imposed or penalized Member.

CHAPTER VIII

DISPUTE SETTLEMENT

8.1 DISPUTE SETTLEMENT MECHANISM

1. The Arbitration Committee established by ACM shall resolve the disputes between the parties through deliberation in good faith based on the principle of mutual interest.
2. In the event of failure to resolve the disputes through deliberation or mediation, such disputes will be resolved by the Arbitration Committee.
3. In the event of failure to resolve the disputes through the Arbitration Committee, the disputing parties may proceed with the dispute resolution to the district court.

CHAPTER IX

FORCE MAJEURE

9.1 FORCE MAJEURE

ACM shall not be responsible for loss, damage, costs, or accidents to any party, and shall not be responsible for the failures, or delays in performing its obligations (wholly or partially) to the Member as a result of events beyond the control of ACM.

Such Force Majeure shall include, but not limited to:

1. Natural disasters, such as earthquakes, floods, hurricanes, and other natural disasters, wars, riots, terrorism, acts of civil and military authorities, embargoes, demonstrations and strikes, fires, explosions, and a Force Majeure affecting ACCH.
2. Changes in legislation, interruptions and suspension, or a state of insolvency or bankruptcy of a bank or financial institution.

9.2 AUTHORITIES IN FORCE MAJEURE

ACM under its authority shall declare Force Majeure and require the Member to take the actions required in connection with the settlement of transactions resulting from the Force Majeure.