

## CHAPTER I

### GENERAL PROVISIONS

#### 1.1 DEFINITIONS

For the purpose of these rules and regulations, what is meant by:

1. **Clearing and Guarantee Institution** is **PT Asia Commodity Clearing House** hereinafter referred to as **ACCH** is a legal entity that cooperates with **ACM** to register, clear, and guarantee transactions conducted in the Auction Market.
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. **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).
4. **Commodity** or **Commodities** is/are good(s) that meet the requirements to be traded in the ACM Auction Market.
5. **Clearing Member** is ACM Auction Market Member with Forward Settlement and/or ACM Auction Market Member with Spot Settlement that have obtained approval from the Clearing and Guarantee Institution to benefit from registration, clearing, and transactions conducted by the Clearing and Guarantee Institution.
6. **Trader** is a Member which may act as a Seller and/or Buyer to conduct transactions directly in the ACM Auction Market.

7. **Seller** is ACM Auction Market Members who placed the sell order.
8. **Buyer** is ACM Auction Market Members who placed the buy order.
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. **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.
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 an amount of money or securities deposited by the Clearing Member as the fulfilment of financial obligations in ACCH.
19. **Intermediary Clearing Fund** hereinafter referred to as **Clearing Fund** is a fund collected by ACCH to ensure the settlement of obligations arising from Default Contract.
20. **Trading Day** is the day of the auction, as stated in the Contract Specification.
21. **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.
22. **Contract** is a Commodity Contract in accordance with the Contract Specification being traded on the ACM Auction Market.
23. **Forward Contract** is a Contract with deferred settlement.
24. **Spot Contract** is a Contract with immediate settlement.

25. **Depository Bank** is a commercial bank appointed by ACM to keep the Transaction Guarantee and Risk Guarantee in ACCH.
26. **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.
27. **Daily Settlement Price** is the daily settlement price of the Forward Contract set by ACM as the daily settlement price for the Forward Contract.
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 Clearing Member that does not comply with the Rules and Regulations of ACM.

## 1.2 INTERPRETATION

In these Rules, unless otherwise stipulated:

1. ACCH 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 ACCH.

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 ACCH 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 ACCH 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 ACCH and Clearing Members and between Clearing Members themselves; 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. ACCH 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. ACCH 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**

ACCH 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 ACCH 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. ACCH assumes no responsibility or liability for any loss or damage suffered by the Clearing 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 Clearing Member or other related parties, which are directly or indirectly associated with the performance of the activities and functions of ACCH;
  - c. there is default, negligence, or errors of ACM.
2. ACCH 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 Clearing Member;
  - b. loss of operating time of the software;
  - c. loss of potential profit from the transaction.

## **1.9 INDEMNIFICATION**

1. Each Clearing Member shall indemnify and hold ACCH harmless and bear any losses, costs, expenses, damages incurred by ACCH and all liabilities arising out

of, or relating to violations of the Clearing Member and/or any Third Party, as the result of unlawful actions, or negligence of the said Clearing Member.

2. Notwithstanding to the provisions of paragraph (1) above, each Clearing Member shall indemnify ACCH from any financial found in any jurisdiction, either in the form of a penalty or a financial settlement which must be paid by ACCH in relation to legal proceedings and administrative actions brought against ACCH as the result of the violations of or alleged violations of Clearing Member and any Third Party with regards to the Rules and Regulations of ACCH and any Circular Letter issued by ACCH.

#### **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. ACCH shall maintain and preserve the confidentiality of all information related to the Clearing 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 Clearing Member;
  - b. Financial Information and Risk Guarantee of the Clearing Member;

- c. Contract of the Clearing Member;
  - d. Transaction Data of the Clearing Member;
  - e. Dispute resolution process of the Clearing Member;
  - f. Other matters as determined by ACCH 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

ACCH 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 a Clearing 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 Circular Letter.

### **2.2.2 SPECIAL ADMINISTRATIVE REQUIREMENTS FOR INDIVIDUAL**

Specially for Prospective Individual Clearing Members:

1. Able to become a Clearing Member directly; or
2. Able to become a Clearing Member indirectly by registering with a Broker Clearing Member, if unable to meet the requirements set by ACCH.

### **2.3 SUBMISSION OF APPLICATION**

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

## **2.4 ASSESSMENT OF THE PROSPECTIVE CLEARING MEMBERS**

1. ACCH and/or ACM shall conduct fit and proper tests in assessing any prospective Clearing Member.
2. ACCH may perform direct inspection of the office or place of business of the prospective Clearing Member to confirm the accuracy of the supporting statements and information.

## **2.5 APPROVAL AND REJECTION**

1. ACCH 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 Clearing 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 Clearing Member will be considered resigning.
3. The prospective Clearing 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.

## **2.6 CHANGES IN MEMBERSHIP DATA**

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

## 2.7 RIGHTS AND OBLIGATIONS OF THE CLEARING MEMBERS

1. Each Clearing Member shall be entitled to:
  - a. Obtain clearing service and transaction settlement guarantee.
  - b. Use the name, logo, trademark of ACCH for the purpose of promotion, education, and communication.
  - c. To obtain information in relation with:
    - i. Changes in the Rules and Regulations of Guarantee Institution;
    - ii. Transaction and financial statement;
    - iii. Circular Letter, decrees and announcements related to the clearing and Commodity auction settlement guarantee.
2. Each Clearing Member shall:
  - a. Comply with all procedures, risk management systems, as well as the technical and operational requirements specified by ACCH;
  - b. Provide information and data required by ACCH in terms of (but not limited to):
    - i. Exchange 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.
  - c. Meet and maintain financial requirements and guarantees and other financial liabilities as defined by ACCH;
  - d. Maintain and protect all systems and technical procedures used;

- e. Procure that all officers and employees of Clearing Member adhere to ACCH Regulation;
- f. Fully comply with each ACCH decision;
- g. Maintain Financial and Transaction Report which must be retained for a period of at least five (5) years;
- h. Particularly for Broker, they are required to open Separate Accounts at the Deposit bank to deposit Transaction and/or Risk Guarantee.

## **2.8 RESIGNATION**

1. Clearing Members may apply for resignation along with the reasons in writing to ACCH, 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 Clearing Member does not have a Contract.
  - b. It has fulfilled all the administrative and financial obligations.
3. Resignation of any Clearing Member does not release it from the obligations arising as a result of the transactions carried out before the effective date of the Clearing Member's resignation.
4. The resignation shall be effective after the issuance of a decree deciding the same by ACCH.

## **2.9 COMPLIANCE**

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

## CHAPTER III

### FUNCTION OF CLEARING AND GUARANTEE INSTITUTION

#### 3.1 FUNCTION AND ROLE OF CLEARING AND GUARANTEE INSTITUTION

1. To perform Novation function where the clearing and guarantee institution will act as guarantor of the counterparties entering into transactions in the ACM Auction Market.
2. To ensure the completion of each Contract traded on the ACM Auction Market.
3. To manage Separate Account at Deposit bank.
4. To monitor the activities and financial condition and guarantee of the Clearing Member.
5. To document and retain all data relating to the activities of ACCH.
6. To perform inspection against the Clearing Member as deemed necessary, in relation to the alleged breaches notified by ACM.
7. To report findings of breaches against ACM for action in accordance with applicable regulations in order to maintain the market integrity with a copy of report submitted to the Head Bappebti (Commodity Futures Trading Regulatory Agency).
8. To impose sanctions if such breaches are proven.

## **CHAPTER IV**

### **GUARANTEE**

#### **4.1 TYPES OF GUARANTEE**

ACCH shall determine the type of guarantee in form of:

1. Transaction Guarantee;
2. Risk Guarantee.

#### **4.2 TRANSACTION GUARANTEE**

1. ACCH shall determine Transaction Security as a requirement for the conclusion of transactions in the ACM Auction Market.
2. Transaction Guarantee will be used as security against the Contract in accordance with Contract Specification.
3. Transaction Guarantee placed on ACCH shall be free from any encumbrance and may take the following forms:
  - a. Cash;
  - b. Bank deposits;
  - c. Bank Guarantee, Letter of Credit (L/C) or Certificate of Domestic Bank (SKBDN);
  - d. SKK;
  - e. Warehouse Receipt CMA (Collateral Management Agreement);
  - f. Warehouse Receipt; and/or
  - g. Other assets specified by ACCH.

4. Particularly for Spot Contract, sellers can only submit Transaction Guarantee in the form of SKK, Warehouse Receipt and/or CMA Warehouse Receipt.

### **4.3 RISK GUARANTEE**

In order to satisfy the financial obligations, each Clearing Member shall place Risk Guarantee along with together with a power of attorney for disbursement, under the following conditions:

1. ACCH shall ensure the validity period and the adequacy of Risk Guarantee value.
2. If Clearing Member is declared a default, the Risk Guarantee may be disbursed and used by ACCH to fulfil the obligations of the Clearing Member.
3. In the event that the Clearing Member resigns, Risk Guarantee may be refunded to the relevant Clearing Member after ACCH ensures that all financial obligations have been met.
4. Risk Guarantee placed on ACCH shall be free from encumbrance and in the following forms:
  - a. Cash;
  - b. Bank deposits;
  - c. Bank Guarantee, Letter of Credit (L/C), or Certificate of Domestic Bank (SKBDN); and/or
  - d. Other assets specified by ACCH.

## **CHAPTER V**

### **TRANSACTION SETTLEMENT**

#### **5.1 TRANSACTION SETTLEMENT**

1. Physical delivery
  - a. The place of delivery of Commodities at the Warehouse that has been determined by ACM and cooperates with ACCH
  - b. The Warehouse Manager issues SKK which is used as proof of delivery in the settlement of the transaction.
2. For Forward Contracts, cash settlement is possible.
3. Settlement of Contract transactions are carried out through the clipping process in accordance with the settlement method stated in the Contract Specifications.
4. The clearing is done based on the price of commodity transactions entered in ACM Auction Market to settle financial rights and obligations between Clearing Member.

#### **5.2 CLEARING**

##### **5.2.1 REGISTRATION OF CLEARING MEMBER TRANSACTION**

1. ACCH via the electronic system of the ACM receives data of transactions between Clearing Members that occurred in ACM Auction Market.
2. The Data are processed by the system provided by ACCH to be processed into daily trade reports and the financial statements on Account of each Clearing Member.

## **5.2.2 CLEARING AND GUARANTEE PROCESS**

### **5.2.2.1 Spot Contract**

The settlement of Spot Contract transactions traded in the ACM Auction Market must be settled through physical delivery.

### **5.2.2.2 Forward Contract**

At the end of the day, ACCH shall marked to market prices to estimate the amount of financial rights and obligations of the Clearing Member by using the Daily Settlement Price.

1. At each end of each session and/or at the end of Trading Day, ACCH will perform marked to market on each Contract by using the closing price of the session and/or the Daily Settlement Price as determined by the ACM.
2. If the result of marked to market estimation results in the equity value of the Clearing Member to be higher than the required Transaction Guarantee, ACCH shall credit the relevant Member Account.
3. If the result of marked to market value estimation results in the equity value of the Clearing Member to be less of the required Transaction Security, ACCH shall debit the Account of the Member concerned.
4. Clearing Member as referred in point 5.2.2 of paragraph (3) shall provide Transaction Guarantee in the amount of no less than the shortage of funds prior to the opening of the market or the next session.

5. If the Clearing Member fails to cover the shortfall of Transaction Guarantee as mentioned in number 5.2.2 paragraph (3), the Clearing Member is suspended from conducting a transactions.
6. If the Clearing Member fails to provide additional Transaction Guarantee for the following 2 (two) working days, then it is deemed to be in default.

### **5.2.3 CLEARING FEE AND GUARANTEE**

ACCH will debit from the account of the Clearing Member, existing fees and the fees arising from the transactions and other charges and fees which have been specified by ACCH. Such fees shall include:

1. Transaction fee;
2. Other fees related to completion of physical delivery; and
3. Penalty;

### **5.2.4 CLEARING REPORT, GUARANTEE, AND SETTLEMENT**

1. ACCH shall issue and provide daily trade and financial reports to each Clearing Member.
2. If the Clearing Member deems that there are errors in the report provided, the Clearing Member shall immediately notify ACCH in writing, not later than before the following Trading Day.

## **5.3 PHYSICAL DELIVERY**

### **5.3.1 NOTIFICATION OF TRADE ALLOCATION**

ACCH will determine the trade allocation when the Contract is due and notify the same to the Clearing Member at least 1 (one) working day after such determination.

### **5.3.2 PAYMENT AND DELIVERY PROCEDURES**

1. Clearing Member which acts as the buyer under the trade allocation shall make full payment to ACCH according to Contract Specifications and prepare other documents related to the delivery of such as power of attorney of transfer of Commodities Ownership rights and/or the Warehouse Receipt to be submitted to ACCH.
2. Clearing Member which acts as seller under the trade allocation shall prepare other documents associated with the delivery such as power of attorney of transfer of Commodities ownership rights and/or the Warehouse Receipt, proof of payment of warehouse rent, purchase order, and certificate of origin of goods to be submitted to ACCH.
3. In transferring the rights over the Commodity and/or the Warehouse Receipt ACCH shall cooperate with Warehouse Manager, Registration Center (*PUSREG*) and the banks.
4. ACCH will credit the account of Clearing Member acting as seller, 1 (one) working day after ACCH receives payment from the Clearing Member acting as buyer.
5. Clearing Member acting as buyer is entitled to receive SKK, CMA Warehouse Receipt, and/or a Warehouse Receipt from ACCH.

#### **5.4 EVENT OF DEFAULT**

1. Event of Default shall include the failure to perform or meet financial obligations, or failure to deliver goods or payment according to Contract Specifications.
2. ACCH is authorized to take the necessary action on the Default of Clearing Member, including but not limited to:
  - a. Propose to ACM to suspend the transaction of such Clearing Member;
  - b. Require indemnification as the result of Event of default; and
  - c. To transfer the ownership, to sell, disburse and release all funds, guarantee or other property placed by the Clearing Member in ACCH under the agreement between the Clearing Member and ACCH.

## CHAPTER VI

### NON-PERFORMANCE EVENT

#### 6.1 NON-PERFORMANCE EVENT

The following events related to the Clearing Member will be considered as Non-Performance Event and such event will be settled in accordance with the provisions of ACCH Regulations:

1. Clearing Member is in breach of the membership agreement entered into with ACCH.
2. There is a court decision declaring the bankruptcy of Clearing Member.
3. There is a written statement, warranty or documents prepared or submitted by the Clearing Member which was found to be false.
4. Clearing Member is declared to have committed non-performance event by ACM.
5. Clearing Member is found guilty by the court in relation to the acts of fraud they committed.
6. There are other events declared by ACCH as having potential impact on the ability of a Clearing Member to meet its obligations under the Regulation of ACCH.

#### 6.2 NOTIFICATION OF NON-PERFORMANCE STATUS

1. ACCH shall give written notification on the Non-Performance Event of the Clearing Member with an explanation regarding the date and time of such Non-Performance Event.

2. The written notification as referred to in paragraph (1) of Article 6.2 must be submitted to ACM and Head of Bappebti (Commodity Futures Trading Regulatory Agency).

### **6.3 AUTHORITY OF ACCH ON NON-PERFORMANCE EVENT**

1. To propose to ACM to suspend the transaction of such Clearing Member;
2. To transfer the ownership, to sell, disburse and release all funds, guarantee or other property placed by the Clearing Member in ACCH under the agreement between the Clearing Member and ACCH.

### **6.4 REINSTALLMENT OF THE STATUS OF CLEARING MEMBER COMMITTING NON-PERFORMANCE**

If the Clearing Member has met its obligations in accordance with the provisions of Article 6.3, ACCH shall reinstall the status of the Clearing Member experiencing such Non-Performance.

## **CHAPTER VII**

### **CLEARING FUND**

#### **7.1 SOURCE OF CLEARING FUND**

1. ACCH shall collect and manage a Clearing Fund which is taken from Clearing Broker Member and other sources obtained from ACCH.
2. Clearing Funds may be taken from:
  - a. Funds places by Clearing Broker Member;
  - b. Insurance Coverage Fund;
  - c. Other sources from ACCH.

#### **7.2 PLACEMENT OF CLEARING FUND**

1. ACCH shall initially place a Clearing Fund in the amount of not more than Rp2 billions.
2. ACCH will require a Clearing Broker Member to deposit a Clearing Fund in the amount of Rp1 billion which must be paid upon acceptance of the Guarantee Institution Member.

#### **7.3 MANAGEMENT OF CLEARING FUND**

1. ACCH shall establish a management unit for the clearing fund deposited in an Account separated from the Asset of ACCH.
2. The funds collected as Clearing Fund may be placed into deposit, savings and/or Government Bonds (*SUN*).

3. Submit Clearing Fund report to the Head of Bappebti every month, attaching bank statements and portfolios.

#### **7.4 THE USE OF CLEARING FUND**

1. ACCH shall allocate Clearing Fund proportionally to all Clearing Broker Member.
2. ACCH will use the Clearing Fund allocations to settle Events of Default committed by Clearing Broker Member.

#### **7.5 RE-DEPOSIT**

Clearing Broker Member which committed Default shall re-deposit Clearing Fund which has been used to settle such Default within a period of not later than 30 (thirty) calendar days.

#### **7.6 REIMBURSEMENT OF CLEARING FUND**

1. Reimbursement of Clearing Fund may only be done at the time Clearing Broker Member resigns.
2. The amount of the Clearing Fund reimbursed shall be equal to the amount of fund that has been placed at the beginning of membership in ACCH.

## CHAPTER VIII

### VIOLATIONS AND SACTIONS

#### 8.1 TYPES OF VIOLATION

##### 1. MINOR VIOLATION

Minor violations include but are not limited to:

- a. Any Clearing Member committing administrative violation in ACCH;
- b. Any Clearing Member fail to submit activity report to ACCCH.

##### 2. MAJOR VIOLATION

These major violations include but are not limited to:

- a. Default.
- b. Not replenishing the Clearing Fund that has been used.
- c. Intentionally colluding to make transactions under prior arrangement.
- d. Making or reporting false or fictitious transaction.
- e. Committing extortion or extortion attempt to other Clearing Member.
- f. Manipulating price to corner the market.
- g. Intentionally making false statement or information in writing on ACCH or any other party including Bappebti, ACM, Warehouse Manager, Surveyor, and Depository Bank.
- h. 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.

- i. Take actions which are not in accordance with the norms prevalent in the trade.
- j. Committing activity that may damage the dignity or reputation of ACCH.
- k. Committing minor violation more than 2 (twice) in a minimum period of 6 (six) months;
- l. Committing any violation that may be deemed as major violation by ACCH.

## **8.2 TYPES OF SANCTION**

In the event that any Clearing Member commits violation, ACM will impose the following sanction:

1. Written Warning;
2. Fine;
3. Membership Freeze;
4. Membership Revocation.

## **8.3 IMPOSITION OF SANCTIONS**

1. In the event of revocation of membership, ACCH shall notify the same to the Clearing Member whose membership is revoked.
2. Clearing Members whose membership is revoked shall remain to be responsible to all its obligations.
3. ACCH shall report the revocation of Clearing Membership to the ACM and with copy to the Head of Bappebti (Commodity Futures Trading Regulatory Agency) at the same time with the notification as referred to in paragraph (1).

## CHAPTER IX

### DISPUTE SETTLEMENT

#### 9.1 DISPUTE SETTLEMENT MECHANISM

1. ACCH shall resolve the dispute 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 of ACM;
3. If dispute settlement through the Arbitration Committee is unsuccessful, the disputing parties may continue in a district court.

## **CHAPTER X**

### **FORCE MAJEURE**

#### **10.1 FORCE MAJEURE**

ACCH 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 Clearing Member as a result of events beyond the control of ACCH. 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 ACM.
2. Changes in legislation, interruptions and suspension, or a state of insolvency or bankruptcy of a bank or financial institution.

#### **10.2 AUTHORITIES IN FORCE MAJEURE**

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