

**RULES OF THE INDONESIAN CAPITAL MARKET ARBITRATION BOARD
NUMBER: 03/BAPMI/12.2014**

CONCERNING

RULES AND PROCEDURES OF ADJUDICATION

MANAGEMENT OF INDONESIAN CAPITAL MARKET ARBITRATION BOARD,

- Considering** :
- a. whereas disputes between the Parties in the Capital Market field or in connection with the Capital Market may be brought for settlement by the Parties to the Indonesian Capital Market Arbitration Board (*Badan Arbitrase Pasar Modal Indonesia – “BAPMI”*) through Adjudication services;
 - b. whereas Adjudication services are a new type of services in BAPMI and is an alternative dispute resolution that can be achieved by the Parties after their Mediation efforts do not reach a settlement agreement;
 - c. whereas BAPMI’s Adjudication services are provided exclusively for disputes that are categorized as retail and small claims, between Consumer and Business Actor for which require a solution in the form of an award and may be accepted by Costumer;
 - d. whereas in consideration of the foregoing, it is necessary to establish new Adjudication rules and procedures of BAPMI and set it out in these rules.
- In view of** :
- 1. Law Number 30 of 1999 concerning Arbitration and Alternative Dispute Resolution (State Gazette of the Republic of Indonesia of 1999 Number 138, Supplement to State Gazette of the Republic of Indonesia Number 3872), along with any amendments thereto, if any;
 - 2. Law Number 21 of 2011 regarding Financial Services Authority/*Otoritas Jasa Keuangan* (State Gazette of the Republic of Indonesia of 2011 Number 111, Supplement to State Gazette of the Republic of Indonesia Number 5253), and any of its implementing regulations and any amendments thereto, if any;
 - 3. Law Number 8 of 1995 on Capital Market (State Gazette of the Republic of Indonesia of 1995 Number 64, Supplement to State Gazette of the Republic of Indonesia Number 3608), and any of its implementing regulations and any amendments thereto, if any;

4. Regulation of the Financial Services Authority Number 1/POJK.07/2013 concerning Consumer Protection of Financial Services Sector, promulgated on 6th August 2013 (State Gazette of the Republic of Indonesia of 2013 Number 118, Supplement to State Gazette of the Republic of Indonesia Number 5431) and any amendments thereto, if any;
5. Regulation of the Financial Services Authority Number 1/POJK.07/2014 on Alternative Dispute Resolution Institute in Financial Services Sector, promulgated on 23rd January 2014 (State Gazette of the Republic of Indonesia of 2014 Number 12, Supplement to State Gazette of the Republic of Indonesia Number 5499) and any amendments thereto, if any;
6. BAPMI's Articles of Association, as set out in the Deed of Establishment Number 15 dated 9th August 2002, drawn up before Mrs. Fathiah Helmi, S.H., Notary Public in Jakarta, having been approved by the Minister of Justice and Human Rights of the Republic of Indonesia under his decree Number C-2620 HT 01.03.TH 2002, dated 29th August 2002, and promulgated in the State Gazette of the Republic of Indonesia dated 18th October 2002, Number 84/2002, Supplement to State Gazette Number 5/PN/2002, and any amendments thereto, if any.

DECIDED:

To stipulate : RULES AND PROCEDURES OF ADJUDICATION

**CHAPTER I
GENERAL PROVISIONS**

**Article 1
Definitions**

- (1) In these Rules and Procedures:
 - (a) **Adjudication** refers to an out-of-public court settlement mechanism for Retail and Small Claims, to be conducted through a relatively brief examination by an Adjudicator to pass an award that is acceptable to the Petitioner, under which acceptance said award is binding on the Parties.
 - (b) **Retail and Small Claims** are disputes between an individual as a Consumer and a Business Actor, with a relatively small value of claim at an amount as defined in Annex I.
 - (c) **Customer** is an individual referred to as consumer under the Regulation of the Financial Services Authority Number 1/POJK.07/2013 concerning Consumer Protection

of Financial Services Sector, promulgated on 6th August 2013, and all amendments thereto, if any.

- (d) **Business Actor** refers to any parties referred to as financial services business actor under the Regulation of the Financial Services Authority Number 1/POJK.07/2013 concerning Consumer Protection of Financial Services Sector, promulgated on 6th August 2013, and all amendments thereto, if any.
- (e) **Adjudicator** is one or more persons who are appointed according to BAPMI's Rules and Procedures of Adjudication to examine cases and pass Adjudication Awards on particular disputes submitted for settlement to BAPMI's Adjudication.
- (f) **Permanent Adjudicator** is an individual who is appointed by BAPMI as an Adjudicator in accordance with the provisions of Article 7 paragraph (2).
- (g) **List of BAPMI's Permanent Adjudicators** refers to a list issued by BAPMI containing names of Permanent Adjudicators.
- (h) **Panel** is an assembly consisting of several Adjudicators established by the Management in accordance with these Rules and Procedures to pass Adjudication Awards.
- (i) **Code of Conduct** refers to a code of conduct or code of ethics that applies to BAPMI's Adjudicators.
- (j) **Guidelines for Conflict of Interest** are guidelines that must be observed by an Adjudicator when he/she is appointed and/or during his/her service as an Arbitrator for a case in BAPMI's Adjudicator as a benchmark to determine the level of conflict of interest in the relevant Adjudicator him/herself, so as to easily determine whether the relevant Adjudicator is feasible or not feasible to accept the appointment and serve as an Adjudicator in the case in question.
- (k) **Petition for Adjudication** refers to a written petition for dispute settlement through BAPMI's Adjudication submitted by a Petitioner to BAPMI based on these Rules and Procedures containing a statement of claim from the Petitioner to the Respondent.
- (l) **Adjudication Agreement** is a written agreement entered into by the Parties to resolve the dispute through BAPMI's Adjudication in the model agreement as set out in Annex IV.
- (m) **Party** refers to a legal subject, in both civil law and public law. The term "**Parties**" in these Rules and Procedures shall refer to two (2) or more Parties.
- (n) **Petitioner** is a Party or Parties filing a Petition for Adjudication to BAPMI pursuant to these Rules and Procedures.
- (o) **Respondent** is a Party or Parties acting as an opponent(s) of a Petitioner in the settlement of disputes through Adjudication.

- (p) **Management** refers BAPMI's management as stipulated in BAPMI's Articles of Association and any amendments thereto, if any.
 - (q) **Secretariat** is secretariat formed by the Management to run BAPMI's day-to-day operations, chaired by one of the Management's members, or other personnel designated by the Management.
 - (r) **Secretary** is one (1) or more Secretariat personnel designated by the Management to assist a Panel in recordkeeping and administrative affairs during an Adjudication process.
 - (s) **Adjudication Award** refers to an award passed on a dispute by a Panel in accordance with these Rules and Procedures.
 - (t) **Mediation** refers to an out-of-court settlement mechanism for disputes through a negotiation process to achieve settlement with the assistance of a Mediator in BAPMI.
 - (u) **Mediator** is an impartial party assisting the Parties in the negotiation process under BAPMI's Mediation for finding various solutions for settlement but Mediator is not allowed to forcefully deciding or imposing a settlement.
 - (v) **Arbitration** refers to an out-of-public court settlement mechanism for civil disputes, based on Arbitration Agreement.
 - (w) **Arbitrator** is one or more persons appointed by the disputant Parties to examine cases and pass Arbitration Awards on particular disputes submitted for settlement to BAPMI's Arbitration.
 - (x) **BAPMI's Members** shall be legal entities, associations or organizations in the capital market environment becoming members of BAPMI under the provisions of BAPMI's Articles of Association.
- (2) A reference to the word "day" in these Rules and Procedures shall be made to the Indonesian national calendar.

Article 2

Scope of Rules and Procedures

- (1) These Rules and Procedures regulate settlement of any disputes to be resolved through BAPMI's Adjudication.
- (2) Disputes that can be resolved through BAPMI's Adjudication must meet all the following criteria:
 - (a) disputes in the Capital Market field and/or in connection with the Capital Market;
 - (b) disputes on rights, which, under the law and legislation, are fully controlled by the disputing Parties;

- (c) disputes, which according to the legislation, can be amicably settled;
 - (d) disputes for which Mediation efforts have been pursued but the Parties fail to reach a Settlement Agreement; and
 - (e) disputes categorized as Retail and Small Claims, as referred to Article 31 paragraph (2) jo. Annex I;
 - (f) between a Petitioner and a Respondent bound by an Adjudication Agreement.
 - (g) A person that can be a Petitioner in BAPMI's Adjudication shall be Consumer only, while a person that can be a Respondent in BAPMI's Adjudication shall be a Business Actor that is Member of BAPMI.
- (3) BAPMI, including any of its Adjudicator, Management, Secretary, and Secretariat personnel, is forbidden from giving and/or offering legal assistance in any form whatsoever, either professionally or personally to the Parties, including legal advice and/or opinion concerning legal standing of the Parties.
- (4) Any of the Parties, Adjudicators, Management, Secretary, and Secretariat personnel shall comply with any provisions set out under these Rules and Procedures.

Article 3 Nature of Adjudication

- (1) Settlement of disputes through BAPMI's Adjudication shall be conducted by the Parties on the basis of good faith and dignity, with the exclusion of the other dispute resolution.
- (2) Participation of the Parties in the Adjudication process shall be based on the Parties' willingness without any coercion whatsoever, and should be followed politely, respectfully, and orderly.
- (3) The Respondent's obligation to accept any Adjudication Award passed, and conversely, an option given to the Petitioner to accept or not to accept the Adjudication Award, is the nature of the Adjudication mechanism so that the Parties will not enter into an Adjudication Agreement without both principles.
- (4) An Adjudication Award is final and binding on the Parties after the Petitioner accepts and signs the Adjudication Award.
- (5) An Adjudication Award having been accepted by the Petitioner, as referred to in paragraph (4), shall be executed in good faith by the Parties, and against which no objection or denial can be filed.

CHAPTER II
PRE-EXAMINATION OF ADJUDICATION

Article 4
Adjudication Agreement

- (1) The Parties may agree in writing on a dispute that occurs between them to be resolved through BAPMI's Adjudication in an Adjudication Agreement document.
- (2) An Adjudication Agreement shall be in a written agreement signed by the Parties in the model agreement as set out in Annex IV.
- (3) An Adjudication Agreement is entered into by the Parties only after their dispute settlement efforts through BAPMI's mediation fail to reach a Settlement Agreement.
- (4) An Adjudication Agreement shall be entered into by the Parties within a maximum period of thirty (30) days after the Mediator stops the Mediation process. When the Parties have not entered into an Adjudication Agreement until the time limit passes, the dispute of the Parties can no longer be submitted for settlement to BAPMI's Adjudication.
- (5) BAPMI, upon request of either Party, can facilitate a meeting between the Parties in order to enter into an Adjudication Agreement.
- (6) After signing an Adjudication Agreement,
 - (a) the Petitioner is bound by the these Rules and Procedures;
 - (b) the Respondent is bound by these Rules and Procedures and the Adjudication Award to be passed later even though the Respondent does not participate in the Adjudication process;
 - (c) the Party to be a Petitioner in the Adjudication process must immediately file a Petition for Adjudication to BAPMI within a maximum period of thirty (30) days after the signing of the Adjudication Agreement.

Article 5
Registration of Petition for Adjudication

- (1) Adjudication is held based a registration of Petition for Adjudication filed by the Petitioner to BAPMI.
- (2) Petition for Adjudication in the form of :
 - (a) a statement of claim that includes:
 - (i) the full names and residences or domiciles of the Parties;

- (ii) a brief description of the dispute;
 - (iii) a content of the claim; and
- (b) annexes:
 - (i) a copy of the Adjudication Agreement;
 - (ii) a deed of evidence;
 - (iii) a copy of evidentiary documents.
- (3) The Management provides confirmation of acceptance or rejection with regard to the registration of Petition for Adjudication to the Petitioner, with a copy to the Respondent, within a maximum period of ten (10) days after the date of filing.
- (4) When the Petition for Adjudication is rejected by the Management, the confirmation letter, as referred to in paragraph (3), shall contain any reasons for said rejection. The Petitioner may resubmit it by meeting the requirements as stipulated in these Rules and Procedures within a maximum period of fifteen (15) days after the expiration of the time limit, as referred to in Article 4 paragraph (6) sub-paragraph (c), or within a maximum period of fifteen (15) days after the Petitioner receives the confirmation letter, whichever is the latest.
- (5) When the Petition for Adjudication is accepted, the confirmation letter, as referred to in paragraph (3), shall also contain:
 - (a) a notice that the Management would immediately establish a Panel;
 - (b) a notice regarding the name of Secretary;
 - (c) a copy of the Petition for Adjudication for the Respondent.
- (6) For any accepted registration of Petition for Adjudication, as referred to in paragraph (5), the Secretariat on the same date as the date of said confirmation shall record the Petition for Adjudication in a case registry book of BAPMI.
- (7) The Management may delegate its authority to confirm the registration of Petition for Adjudication to the Secretariat personnel.

Article 6 Secretary

- (1) The Management shall appoint one (1) or more Secretariat personnel to be Secretary of the case that will be or is being processed in Adjudication.
- (2) The Secretary has the following duties:

- (a) drawing up minutes of examination;
 - (b) drawing up minutes of Panel consultative meeting;
 - (c) maintaining Adjudication correspondence;
 - (d) keeping Adjudication records and documents;
 - (e) signing summons for examination delivered to the Parties on behalf of the Panel;
 - (f) assisting the Panel in scheduling examination and reminding the period of Adjudication;
 - (g) assisting the Panel in preparing a report to the Management regarding the Adjudication completion;
 - (h) other duties that may be set forth in other parts of these Rules and Procedures.
- (3) The Secretary is obliged to maintain confidentiality of the Adjudication process and carry out his/her duties to its completion in a professional, impartial, independent manner and maintain the integrity and uphold BAPMI's dignity.

CHAPTER III ADJUDICATOR

Article 7 Adjudicator Requirements

- (1) In order to be BAPMI's Adjudicator, a person must be listed as BAPMI's Permanent Adjudicators.
- (2) The Management shall appoint BAPMI's Permanent Adjudicator according to the following provisions:
 - (a) The nomination of a person to be BAPMI's Permanent Adjudicator shall be resolved in a Management Meeting based on the Management's knowledge in respect of relevant candidate's integrity and capability.
 - (b) If the relevant person, upon request for willingness submitted by the Management, is willing to be a candidate of BAPMI's Permanent Adjudicator, the Management shall require him/her to submit his/her resume and curriculum vitae along with copies of any supporting documents and follow a fit and proper test conducted by the Management.
 - (c) The Management shall only appoint a candidate to be BAPMI's Permanent Adjudicator when he/she can meet the requirements, as referred to in Annex II.

- (3) When, after being appointed as BAPMI's Permanent Adjudicator, it is found in the future that the relevant Adjudicator experiences any changes in his/her condition resulting in non-fulfillment of one (1) or more of the provisions, as referred to in paragraph (2) subparagraph (c), the Management shall immediately decide to:
 - (a) temporarily suspend his/her status as BAPMI's Permanent Adjudicator until the fulfillment of the provisions required; or
 - (b) revoke his/her status as BAPMI's Permanent Adjudicator.
- (4) In the event the suspension or revocation decision, as referred to in paragraph (3), is issued by the Management while the relevant Adjudicator is performing his/her duties as a Panel, when the Adjudication is in any stage, the Management shall immediately stop the Adjudication process until the appointment of a new Adjudicator in accordance with these Rules and Procedures.
- (5) The Management shall issue a list of BAPMI's Permanent Adjudicators, which is open to the public, and update any changes to the list.

Article 8 Establishment of Panel

- (1) A Panel to examine a case through Adjudication is established by the Management and consists of 3 (three) Adjudicators, one of whom is appointed as Chairman of Panel.
- (2) In a Panel, there shall be at least one (1) Adjudicator with a background of legal experience.
- (3) An Adjudicator appointed by the Management as a case Adjudicator in a Panel reserves the right to accept or reject the appointment.
- (4) When the Adjudicator accepts the appointment, the Adjudicator shall, in his/her response, also enclose a letter of statement and disclosure in a form as specified from time to time by BAPMI with regard to the Guidelines for Conflict of Interest as set forth in Annex III. The Mediator shall be fully responsible for all legal risks arising from the truth of the said letter of statement and disclosure made and signed.
- (5) The Adjudicator may only accept the appointment when he/she meets the following requirements:
 - (a) listed in the List of BAPMI's Permanent Adjudicators;
 - (b) allowed by the Guidelines for Conflict of Interest, as referred to in Annex III;
 - (c) being in no influence or pressure by anyone to perform the duties as Adjudicator that will affect his/her integrity, impartiality and independence in decision-making;

- (d) being in good health physically and mentally (medically fit), thus capable of performing his/her duties as Adjudicator properly;
 - (e) physically existence is known.
 - (f) making a letter of statement and disclosure, as set forth in paragraph (4), honestly and properly.
- (6) The Panel must have been established within a maximum period of fourteen (14) days after BAPMI delivers an acceptance confirmation letter with regard to registration of Petition for Adjudication to the Parties, as referred to in Article 5 paragraph (5) and set forth in the Management decree.
 - (7) Right after the Panel establishment, the Management shall submit the file of Petition for Adjudication to the Panel through the Secretary in order to immediately schedule the first proceeding.
 - (8) Once the Panel is established, an Adjudicator may not be replaced or resign from his/her service, except as stipulated in Article 10 and Article 11.

Article 9

Obligations and Responsibilities of Adjudicator

- (1) The Adjudicator shall comply with the provisions of these Rules and Procedures and the Conduct of Conduct. The Conduct of Conduct applicable to Adjudicators shall be similar to that of BAPMI's Arbitrators and Mediators, as passed at BAPMI's Annual General Meeting of Members on 30th June 2004. Any alleged violations of the Conduct of Conduct will be processed by BAPMI through an ethical tribunal.
- (2) The Adjudicator shall conduct his/her duties to its completion in a professional, impartial, independent manner and maintain the integrity and uphold the Conduct of Conduct.
- (3) The Adjudicator shall provide any of the Parties with the same opportunity to be heard for their accounts (including to present evidence and witnesses), their opinions and desires.
- (4) The Adjudicator shall immediately resign when later he/she becomes aware that he/she does not meet one (1) or more provisions, as referred to in Article 8 paragraph (5).
- (5) The Adjudicator shall not be subject to any legal liabilities for any actions taken during the examination process in order to perform his/her function as an Adjudicator, unless the existence of bad faith of such actions can be proven.

CHAPTER IV
ADJUDICATOR SUBSTITUTION

Article 10
Adjudication Substitution and Resignation

- (1) After the issuance of said appointment letter, as referred to in Article 8 paragraph (6), the Adjudicator cannot be substituted or resign, except in accordance with the terms and procedures set forth in this Article 10 and Article 11.
- (2) A request for Adjudicator substitution from either Party:
 - (a) Either Party may request for Adjudicator substitution in writing to the Management with a copy to the related Adjudicator and the other parties when the related Adjudicator does not meet one (1) or more requirement(s), as referred to in Article 8 paragraph (5).
 - (b) The Management shall immediately suspend the Adjudication process until a certainty regarding such request for Adjudicator substitution, as referred to in sub-paragraph (a), is given.
 - (c) The other party shall provide a written response to the request, as referred to in sub-paragraph (a), within a maximum period of seven (7) calendar days after their receipt of such application letter.
 - (d) In the event that the other party is object to such request for Adjudicator substitution, the matter shall be decided by the Management.
 - (e) The Adjudicator is entitled to an opportunity to give explanation to the Management and the Parties in connection with his application for resignation.
 - (f) In the event that the other party is not object to such request for Adjudicator substitution, the Management shall immediately revoke the appointment letter of relevant Arbitrator, as referred to in Article 8 paragraph (6).
- (3)
 - (a) An Adjudicator may apply for a resignation to the Management with a copy to the Parties, when the related Adjudicator does not meet 1 (one) or more requirement(s), as referred to in Article 8 paragraph (5).
 - (b) The Management shall immediately suspend the Adjudication process until a certainty regarding such application for Adjudicator resignation, as referred to in sub-paragraph (a).
 - (c) The Parties shall provide a written response to the application, as referred to in sub-paragraph (a), within a maximum period of 7 (seven) calendar days after their receipt of such application letter.

- (d) In the event that any of the Parties is object to the application for Adjudicator resignation, the matter shall be decided by the Management.
 - (e) The Adjudicator is entitled to an opportunity to give explanation to the Management and the Parties in connection with his application for resignation.
 - (f) In the event that the Parties have no objection to the application for Arbitrator resignation, the Management shall immediately revoke the appointment letter of relevant Arbitrator, as referred to Article 8 paragraph (6).
- (4) In case the Management decides to reject the request for Adjudicator substitution, as referred to in paragraph (2), or the application for Adjudicator resignation, as referred to in paragraph (3), the Adjudicator shall remain in charge and the Adjudication resumes.
 - (5) In case the Management decides to accept the request for Adjudicator substitution, as referred to in paragraph (2), or the application for Adjudicator resignation, as referred to in paragraph (3), the Management shall immediately revoke the appointment letter of the case Arbitrator, as referred to in Article 8 paragraph (6).
 - (6) The Management's decision, as referred to in paragraph (4) and paragraph (5), shall be final and binding on the parties and the related Adjudicator.
 - (7) After the Management revokes the appointment letter of the Adjudicator, a new Adjudicator shall be appointed by the Management within a maximum period of fourteen (14) days after the date of revocation of such appointment letter.

Article 11 Substitution of Adjudicator for Other Reasons

In the event that an Adjudicator dies or is in a state making him/her incompetent to apply for resignation, the Management shall immediately revoke the appointment letter of the case Adjudicator, as referred to in Article 8 paragraph (6) and furthermore, a new Adjudicator shall be appointed as per the procedures for appointment of Adjudicator being substituted within a maximum period of fourteen (14) days after the date of revocation of such appointment letter.

Article 12 Effect of Adjudicator's Submission

- (1) An Adjudication Process shall be suspended temporarily by the Panel or by the Management (in case of not performed by Panel) in the event of a request for Adjudicator substitution or an application for Adjudicator resignation.
- (2) Basically, a substitute Adjudicator is in charge of continuing the settlement of relevant dispute based on the last examination made.

- (3) In the event of the Chairman of Panel being substituted, all examination made shall be repeated based on the existing letters and documents. The meaning of "repeated examination" in this paragraph is a repetition of Procedures on hearing testimonies of the Parties, witnesses and/or experts, while all documents submitted do not need to be re-submitted.
- (4) In the case of any members of the Panel members being substituted, the examination is repeated in a reasonably orderly manner by and among the Adjudicators based on the existing minutes and documents.

CHAPTER V EXAMINATION OF ADJUDICATION

Article 13 Term of Examination

- (1) The term of Adjudication examination shall be a maximum period of 60 (sixty) days after the date of establishment of the Panel, as referred to in Article 8 paragraph (6).
- (2) The Panel is authorized to extend the term, as referred to in paragraph (1), when:
 - (a) request of substitution of any Adjudicator occur;
 - (b) request of resignation of any Adjudicator occurs;
 - (c) substitution of any Adjudicator is made;
 - (d) a settlement effort is made;
 - (e) in addition to the foregoing, for any grounds that are reasonable and approved by the Parties.
- (3) In order to ensure the certainty of completion time of Adjudication examination, at the first hearing, the Panel shall set up the next examination schedule until the Adjudication Award pronouncement.
- (4) In the event of the circumstances, as referred to in paragraph (2), in the hearing, extension of the examination term shall be specified, no later than thirty (30) days.
- (5) When, within the extension, as referred to in paragraph (3), the Adjudication proceeding is not yet completed, the Panel can only re-extend the term of examination on the consent of the Parties and the Management.
- (6) The Parties agree that the dispute shall be resolved in good faith and as quickly as possible, and therefore the Parties will not spin out time, acting and/or taking any actions that could impede the course of the Adjudication process.

Article 14
Place

- (1) Examination of Adjudication shall be held in Jakarta or other places as designated by the Management. However, the Parties may propose another place, upon approval of the Management and the Panel.
- (2) The Panel may hear the testimonies of witnesses outside the Adjudication place, to be held for any reasonable grounds, for example due to residence of said witnesses.
- (3) The Panel may conduct a site inspection on goods in dispute or other matters relating to the dispute being examined.
- (4) A place for Adjudication Award pronouncement may differ from the place of examination.

Article 15
Language

- (1) Language used in all BAPMI's Adjudication processes shall be Indonesian language, except upon approval of the Management allowing the Parties to choose another language.
- (2) The Panel may order the Parties to have any document or evidence coming with its translation into the language as referred to in paragraph (1).

Article 16
Governing Law

The Parties are entitled to determine any legal option that will apply to the settlement of a dispute that may arise or has arisen between the Parties. When the Parties do not specify otherwise, the applicable law shall be the law of domicile in which the Adjudication takes place.

Article 17
Representation in Examination

- (1) The Parties must present themselves in the Adjudication process, shall not be represented by his/her attorney. Especially for a Respondent that is a legal entity, it must be represented by any of its management or employees who are legitimate and authorized or by virtue of a special power of attorney.
- (2) The Parties may ask for an explanation to the Secretariat on how to draw up letters concerning or relating to Petition for Adjudication, Reply and Verification.

Article 18
Documentation, Correspondence and Communication

- (1) The Parties are prohibited from recording any Adjudication examination, in the form of either audio recordings, visual recordings or audio-visual recordings.
- (2) Correspondence shall be delivered by the Secretary to the name(s) and address(es) as listed on the Petition for Adjudication or Response. In the event of any changes, each Party shall ensure to provide the Secretariat with all information regarding name(s), telephone number(s), facsimile number(s) and complete address(es) for the purposes of correspondence from and to each Party, and any further changes with respect to the above matters.
- (3) When the Panel has been formed, each Party is prohibited from communicating with Adjudicators in any way whatsoever in connection with the Petition for Adjudication, except in a hearing, or accompanied by a copy, which is also delivered to the other Party through the Secretary.
- (4) Correspondence from the Panel to the Parties, or from one Party to the Panel and the other Party, shall be made on a hearing and or through the Secretariat.
- (5) Delivery or distribution of correspondence through Secretary can be made by courier, registered mail, facsimile and or e-mail.
- (6) Delivery by the Secretary to the Parties by facsimile and or e-mail is equally valid as delivery by courier and or registered mail with sufficient receipt requested. When delivery by facsimile and or e-mail is served properly and clearly, delivery of the original mail by courier and or registered mail is not required to be made by the Secretariat to the Parties.
- (7) Delivery of Petition for Adjudication documents, Response, written statements of fact witnesses /expert witnesses, and list of evidence must come with the softcopy in a words document form.
- (8) Documentation, correspondence and communication that do not comply with the provisions of Article 22, shall be invalid and considered to be non-existent.

Article 19
Confidentiality

- (1) Any processes in Adjudication shall be confidential and take place privately, to be attended only by the Parties, the Panel and the Secretary, unless the Parties require otherwise or when necessary for the enforceability of Settlement Agreement as allowable reasons in Article 29 paragraph (4).
- (2) Except when necessary for the enforceability of Adjudication Award, as allowable reasons in Article 29 paragraph (4), all persons involved in the Adjudication process must maintain

the confidentiality during the examination and after its completion, and do not use for any purpose whatsoever:

- (a) the fact that the Adjudication process will be, is being or has been taken place;
 - (b) anything arising in the Adjudication process;
 - (c) any opinions expressed, claims, recommendations or proposals proposed by the Parties for settlement of the dispute;
 - (d) all materials submitted and discussions conducted during the Adjudication process;
 - (e) all data, information, correspondence, and printed materials, either in written or in electronic form, regarding any issues discussed, proposals submitted and comments raised, including any contents of the Adjudication Award.
 - (f) any reasons for rejection of the Petitioner against the Adjudication Award, if any.
- (3) The provisions of confidentiality, as referred to in paragraph (1) and/or paragraph (2), shall survive the completion of relevant Adjudication process, to be applicable to all persons involved in the Adjudication process.
 - (4) BAPMI and or any of the Parties shall be entitled to claim any Party violating paragraph (1) and/or paragraph (2) through a claim for, including but not limited to:
 - (a) full compensation for any losses incurred;
 - (b) costs of proceedings taken in connection with the violation;
 - (c) a guarantee of non-recurrence of such violation in the future.
 - (5) In the event of a violation of paragraph (1) and/or paragraph (2), the Panel is entitled to temporarily suspend the Adjudication process until an assurance of violation non-recurrence in the future is obtained.

Article 20

Service of Process (Summons for Hearing)

- (1) First Hearing:
 - (a) No later than five (5) days after receiving files of Petition for Adjudication from the Management, the Panel, through the Secretary, shall deliver summons for the first hearing to the Parties to be held at least fourteen (14) days after the date of submission of the summons to the parties. In the summons, the Respondent is ordered to provide a written response (the "**Response**") at the first hearing is stated.

- (b) When, on a pre-determined day, as referred to in sub-paragraph (a), the Petitioner, without any valid reason, does not appear, while the Petitioner has been properly summoned, the Panel states that the Petition for Adjudication is disqualified, and the duties of the Panel is, therefore, completed. Furthermore, the dispute can no longer be submitted to BAPMI's Adjudication.
 - (c) When, on a pre-determined day, as referred to in sub-paragraph (a), the Respondent, without any valid reason, does not appear, while the Respondent has been properly summoned, the Panel shall postpone the hearing and re-summon him/her. The hearing shall be re-convened not later than seven (7) days after the second summon is delivered to the Respondent.
 - (d) When the Respondent does not appear at the hearing, without any valid reason, while the Respondent has been properly summoned, the examination shall proceed without the presence of the Respondent.
- (2) A Response submitted by the Respondent to the Panel shall be in a sufficient number of copies for the purposes of Adjudication examination, and enclose:
 - (a) the deed of evidence;
 - (b) a copy of evidentiary documents.
 - (3) The Panel is authorized, upon request of the Respondent, to extend the period for submission of Response based on any valid reasons, provided that such extension of period shall not exceed seven (7) days from the originally specified period.
 - (4) Summons to subsequent hearing shall be determined by the Panel at the hearing, or through summons to be delivered by the Secretary.
 - (5) In the hearing, the Panel shall hear accounts of each Party, seek for settlement, examine evidence and hear testimonies of witnesses.
 - (6) The hearing may be held in a face-to-face meeting, either directly or by means of information technologies, such as teleconferencing and videoconferencing.

Article 21 Settlement Efforts

- (1) If, during the examination period, the Parties agree to make settlement efforts, the Panel may delay the examination process of Adjudication not later than thirty (30) days to provide an opportunity for the Parties to seek settlement according to the settlement option agreed by the Parties. The Parties shall re-appear before the Panel on a specified day of hearing to report the result of such settlement efforts.

- (2) In the event that the settlement efforts reach a Settlement Agreement, the agreement must contain a clause stating revocation of the Petition for Adjudication and the case having been completed. Accordingly, the Petitioner states to revoke the Petition for Adjudication before the Panel, and further the Panel closes the examination and states that the Adjudication is completed.
- (3) Examination of Adjudication shall proceed when the settlement efforts do not succeed.

Article 22
Revocation of Petition for Adjudication,
Amendment to Petition for Adjudication and Amendment to Response

- (1) With regard to Revocation of Petition for Adjudication:
 - (a) before any Response, the Petitioner may revoke such Petition for Adjudication;
 - (b) when a Response has been delivered, the revocation of Petition for Adjudication can only be made with the consent of the Respondent, and the Panel further closes the examination and states the Adjudication is completed.
- (2) Regarding any amendment to Petition for Adjudication:
 - (a) before any response, the Petitioner may correct, amend or add to the contents of Petition for Adjudication;
 - (b) when a Response has been delivered, any corrections, amendments or additions to Petition for Adjudication can only be made with the consent of the Respondent, and to the extent of all corrections, amendments or additions thereto regarding factual matters only and not relating to any legal bases on which the Petition for Arbitration is made.
- (3) The Respondent can correct typo errors, amend or add to a Response within a maximum period of five (5) days after the Response is submitted to the Panel.

Article 23
Verification

- (1) The Parties are given equal and fair opportunities to present evidence, which is deemed necessary to confirm their arguments. The Parties shall complete written evidence with a deed of evidence containing a list of evidence and descriptions regarding reasons for submission of such evidence.
- (2) Evidence includes written evidence (including in electronic form), witness evidence, conjecture, confession and oath.

- (3) The Panel is authorized to determine whether the evidence is acceptable, relevant, related to the matter at hand.

Article 24 Witness Testimony

- (1) Upon request of the Panel, or upon request of the Parties to the Panel, any persons may be requested to give witness testimonies (fact witnesses and/or experts) in the examination of Adjudication, and, when necessary, to be presented at the hearing.
- (2) The Panel is authorized to determine:
 - (a) whether a witness testimony can be sufficiently given in a written form without being presented at the hearing;
 - (b) whether a witness testimony can be sufficiently given in an oral form at the hearing;
 - (c) whether a witness testimony is given in a written form and then being presented at the hearing.
- (3) When a witness is requested by the Panel to provide a written testimony, a copy of the written testimony is also given to the opposing Party by the Secretary or at the hearing.
- (4) Before giving a testimony, a witness must take an oath.
- (5) Each Party may raise questions and/or comments on testimony given by a witness.
- (6) In the event of any differences in witness testimony between the written testimony and the oral testimony at the hearing, oral testimony at the hearing shall prevail.
- (7) The Petitioner shall first be given an opportunity to present witnesses, unless otherwise provided by the Panel without any objection from the Parties.
- (8) The costs of summoning witnesses shall be on the account of the Party presenting them.
- (9) The Management is prohibited from being witnesses in BAPMI's Adjudication.
- (10) The Panel is not obliged to follow the expert opinion when such opinion is in conflict with or contrary to his/her opinion.

Article 25 Closing of Examination

When the examination has been deemed sufficient by the Panel, the Panel shall declare that the examination is closed and determine a schedule of proceeding to pronounce the Adjudication Award.

CHAPTER VI
Adjudication Award

Article 26
Drafting of Adjudication Award

- (1) The Chairman of Panel is in charge of drafting an Arbitration Award and the Panel Members will further express their respective legal considerations to the Chairman of Panel to be incorporated with the Chairman's legal considerations in a draft award.
- (2) The Panel shall pass the award on a justice and fairness (*ex aequo et bono*) basis.
- (3) Although differences of opinion among the Adjudicators in the Panel are allowed, the Panel's decision shall be a collective decision, in which case the Panel's decision shall be made based on deliberation for consensus. If no consensus is reached among the Adjudicators, the decision shall be made on the basis of a majority vote.
- (4) An Adjudication Award shall be signed by the Adjudicators in the Panel. When an Adjudication Award is not signed by one (1) Adjudicator by reason of illness or death or for any reason whatsoever, it does not affect the enforceability of relevant Adjudication Award. Any reasons for the absence of signature, as referred to in this paragraph, shall be included in the Adjudication Award.
- (5) An Adjudication Award shall be made in Indonesian language, and can also be stated in other languages if agreed by the Parties. In case the original Adjudication Award is made in another language, its official translation must be provided by BAPMI at the expense of the Parties.
- (6) An Adjudication Award includes:
 - (a) the full names and addresses of the Parties;
 - (b) a brief description of the dispute;
 - (c) conclusions of the Parties;
 - (d) findings and facts obtained by the Panel during the examination;
 - (e) considerations and conclusions of the Panel;
 - (f) injunction;
 - (g) the place and date of the award;
 - (h) signatures of the Panel;
 - (i) a column of approval statement at the end of the Adjudication Award that must be signed by the Petitioner if the Petitioner accepts such Adjudication Award;

- (j) a description of the reasons, as referred to in paragraph (4), if applicable.

Article 27
Proceeding of Adjudication Award Pronunciation

- (1) Within a maximum period of 20 (twenty) days after the examination is declared to be closed, as referred to in Article 25, the Adjudication Award should have been pronounced in the proceeding of pronunciation attended by the Parties.
- (2) When either Party or any members of the Panel is not present at the pre-determined date of proceeding, the pronunciation of Adjudication Award must still be held by the Chairman of Panel.
- (3) A copy of the Adjudication Award must be submitted by the Panel through the Secretary to the Parties within a maximum period of seven (7) days after the pronunciation. If the Parties agree, submission of a copy of Adjudication Award can be done by taking the document at the Secretariat.

Article 29
Enforceability of Adjudication Award

- (1) BAPMI provide an opportunity to the Petitioner to provide confirmation of acceptance or rejection of the Adjudication Award within a maximum period of seven (7) days after the expiration of the correction of Adjudication Award as stipulated in Article 28 paragraph (1) or after the correction has been made as stipulated in Article 28 paragraph (4).
- (2) if the Petitioner accepts and signs the Adjudication Award, the Adjudication Award has its nature, as referred to in Article 3 paragraph (4) and if the Petitioner rejects the Adjudication Award, the Adjudication Award is not binding on the Parties and considered to be non-existent. In the event of the Petitioner does not provide any confirmation until the lapse of the period, as referred to in paragraph (1), the Petitioner is considered not to accept the Adjudication Award.
- (3) Acceptance or rejection of the Petitioner must be regarding the Adjudication Award in its entirety, not in part.
- (4) An Adjudication Award that is final and has permanent legal force and binding on the Parties must be executed within the time specified in the Adjudication Award, provided that:
 - (a) when either Party does not comply with or enforce the Arbitration Award within the given time, the other Party shall make a written warning letter to the defaulting Party, with a copy to BAPMI;

- (b) BAPMI shall, within a maximum period of seven (7) days after receiving a copy of the letter, as referred to in sub-paragraph (a), submit a written warning to the defaulting Party, with a copy to the other Party;
 - (c) Any of the Parties acknowledge and agree and will not make any claims in any form whatsoever against BAPMI and the other Party when, in the lapse of the period of seven (7) days after the submission date of the letter, as referred to in sub-paragraph (b), the default continues, BAPMI and or the other Party may re-submit a written warning letter to the defaulting Party with a copy to BAPMI Members to which any of the Parties is a member;
 - (d) Any of the Parties acknowledge and agree and will not make any claims in any form whatsoever against BAPMI and the other Party when, in the lapse of the period of seven (7) days after the submission date of the letter, as referred to in sub-paragraph (c), the default continues, BAPMI and or the other Party may re-submit a written warning letter to the defaulting Party with a copy to the Financial Services Authority (*Otoritas Jasa Keuangan*) and all Members of BAPMI.
- (4) If the dispute between the Parties proceeds to Arbitration or court, then:
- (a) the Adjudicator is prohibited from acting as arbitrator, witness, expert, consultant and or attorney;
 - (b) the Adjudicator is prohibited from giving, offering, or delivering legal assistance, both professional and personal, to the Parties.

Pasal 30
Expiration of Adjudicator Service

The Adjudicator's duties expire because:

- (a) the Adjudication Award has been pronounced, or after the Adjudication Award is corrected (if any);
- (b) a period specified, or agreed by the Parties to be extended, has lapsed; or
- (c) he/she is substituted for any reasons or grounds as set out in Article 10 and Article 11.

CHAPTER VII
FEES OF ADJUDICATION SERVICES

Article 31

- (1) Registration of Petition for Adjudication shall be subject to a Registration Fee at an amount as set out in Annex I, and shall be paid by the Parties when filing the registration of Petition for Adjudication.

- (2) BAPMI's Adjudication shall examine Retail and Small Claims only, and therefore BAPMI does not charge other fees to the Parties other than the registration fee. The definition of "Retail and Small Claims" is any disputes with the claim value as set out in Annex I.
- (3) The cost of Adjudication Award enforceability shall be borne by the Parties.

CHAPTER VIII CLOSING PROVISIONS

Article 32

- (1) None of the Management, Adjudicator, Panel, Secretary, and or other BAPMI personnel shall be subject to any criminal or civil liabilities on the performance of their duties and authorities under these Rules and Procedures, and on any contents and enforceability of the Adjudication Award.
- (2) Any of the Parties may not make any claims against BAPMI (including any of the Adjudicator, Management, Secretary, and other BAPMI personnel), including but not limited to claims in respect of:
 - (a) any services provided by BAPMI;
 - (b) any efforts made by BAPMI;
 - (c) any disputes institutionalized by the Petitioner;
 - (d) any claims made by the Petitioner;
 - (e) any awards passed;
 - (f) any actions taken by the Parties;
 - (g) any actions taken in accordance with the law or court order.
- (3) The Parties acknowledge and agree that any claims against BAPMI (including any of the Adjudicator, Management, Secretary, and other BAPMI personnel) that are made in violation of the provisions of paragraph (1) or paragraph (2) will be a material and real loss to BAPMI. Therefore, BAPMI is entitled to take any proceedings on these claims, and also reserves the right to claim any of the Parties for full compensation of any legal fees incurred by BAPMI thereon.
- (4) The reference of any name of an organization/ institution in these Rules and Procedures shall be made also to any new name of said organization/ institution due to any change in name only or due to any action of merger, consolidation, transfer which causes a change in the name of said organization/ institution.

- (5) These Rules and Procedures shall come into force on the date of its stipulation.

Stipulated in Jakarta
On 19 Desember 2014

**MANAGEMENT OF
INDONESIAN CAPITAL MARKET ARBITRATION MANAGEMENT**

Signed by

Bacelius Ruru
Chairman

Felix O. Soebagjo
Secretary General

ANNEX I
FEES OF ADJUDICATION SERVICES

- (1) Registration Fee of Petition for Adjudication shall be IDR 2,000,000 (two million Indonesian Rupiahs).
- (2) Retail and Small Claims shall refer to any disputes with a claim value of up to IDR 500,000,000 (five hundred million Indonesian Rupiahs).

ANNEX II
REQUIREMENTS OF BAPMI'S PERMANENT ADJUDICATOR

BAPMI's Permanent Adjudicator must meet the following requirements:

- (1) competent in performing legal actions;
- (2) at a minimum of thirty five (35) years old;
- (3) physically and mentally healthy (medically fit), thus capable of performing his/her duties as Arbitrator properly;
- (4) holding a minimum of bachelor degree or equivalent;
- (5) having hands-on experience and proficient in his/her field for at least fifteen (15) years;
- (6) not serving as an employee or officer of the Financial Services Authority (*Otoritas Jasa Keuangan*);
- (7) not serving as a judge, public prosecutor, clerk and officer of judicial bodies, police officer, and military officer;
- (8) not registered as member of high state institution;
- (9) nor serving as public official;
- (10) not serving as an officer or director of Stock Exchange institution, Clearing and Guarantee house, or Central Securities Depository institution;
- (11) never been convicted for committing any crimes or criminal offenses by a final and binding court verdict;
- (12) never been declared bankrupt by a final and binding court verdict;
- (13) not included in the list of people who are banned from taking certain actions in capital market and/or other financial services;
- (14) never been convicted for any crimes or criminal offenses related to economic, trade and/or financial issues;
- (15) understanding and familiar with the laws and regulations on capital market in capital market according to their expertise;
- (16) understanding and familiar with the laws and regulations in Arbitration and Alternative Dispute Resolution in Indonesia, and these Rules and Procedures;
- (17) submitting personal data and curriculum vitae along with copies of any supporting documents to the Management;

- (18) passing the fit and proper test conducted by the Management;
- (19) willing to comply with and will not commit any violations of the Code of Conduct of BAPMI's Arbitrator with all consequences and sanctions when violated;
- (20) willing to comply with and will not commit any violations of the Code of Conduct in respect of any profession in which he/she is engaged outside BAPMI, if any;
- (21) willing to comply with and will not commit any violations of these Rules and Procedures and any amendments thereto, if any;
- (22) willing to comply with and will not commit any violations of the Management's decree with regard to the application of these Rules and Procedures.
- (23) preferably holding:
 - (a) a valid and applicable certificate of professional expertise in Arbitration.
 - (b) experienced of being an Adjudicator and/or Arbiter in any arbitration institutions and Alternative Dispute Resolution, at home or abroad.

ANNEX III
GUIDELINES FOR CONFLICT OF INTEREST

1. In the provisions of Annex III, all the words:
 - a. **"family relationship"** is a family relationship by marriage and descent to the second degree, both horizontally and vertically;
 - b. **"affiliate"** or **"its affiliate"** in the context of an association or legal entity means:
 - 1) a relationship between the Party and any of its employees, directors, or commissioners;
 - 2) a relationship between two (2) companies in which there is/are one (1) or more same directors or commissioners;
 - 3) a relationship between a company and the Party which, either directly or indirectly, controls or is controlled by the company;
 - 4) a relationship between two (2) companies that are controlled, directly or indirectly, by the same Party; or
 - 5) a relationship between a company and its major shareholders.
2. In the event of any objection from any of the Parties on the appointment of Case Adjudicator by reason of any violations of one (1) or more provisions of the Guidelines for Conflict of Interest, it shall be filed and resolved in accordance with the Rules and Procedures of Adjudicator in respect of Right of Refusal.
3. An Adjudicator is prohibited from handling a case in BAPMI's Adjudication (hereinafter referred to as the **"Case"**) as an Adjudicator of the Case when he/she meets one (1) or more of the following conditions:
 - a. the Adjudicator is a Party to the Case;
 - b. the Adjudicator has been involved previously in the Case;
 - c. the Adjudicator have provided any of the consultancy/ advisory/ expert opinion services to one of the Parties/ its affiliate of the Case;
 - d. the Adjudicator is being a consultant/ advisor/ expert of either Party;
 - e. the Adjudicator is being a manager, director or member of board of commissioners, or an influential person in a company of one of the Parties/ its affiliate;
 - f. the Adjudicator is being a manager, director or member of board of commissioners, or a person with a power to control the affiliate of either Party, when the affiliate is directly related to the Case;

- g. the Adjudicator has a family relationship with one of the Parties;
 - h. the Adjudicator has any financial interests in one of the Parties;
 - i. the Adjudicator has any interests in the Adjudication Award that will be passed or the Settlement Agreement that may be achieved;
 - j. the Adjudicator/ his office periodically provides any of the consultancy/ advisory/ expert opinion services to one of the Parties/ its affiliate, and the Adjudicator/ his office get financial fees for the delivery of such services;
 - k. the Adjudicator's office is handling the Case or providing any of consultancy/ advisory/ expert opinion services to the Case for either Party, despite without involving the Adjudicator.
 - l. the Adjudicator is a shareholder, either directly or indirectly, of one of the Parties/ its affiliate by having a power to influence one of the Parties;
 - m. Adjudicator has family relationship with any attorney of one of the Parties;
 - n. the Adjudicator has announced that he/she is in a certain position having a conflict of interest and or incapable of acting impartially in respect of the Case, either through a public statement or otherwise;
4. In case the Adjudicator meets one (1) or more of the following conditions, he/she can be appointed as an Adjudicator of the Case provided that he/she shall first submit disclosure of information to the Parties on his/her relationship with the Case and the Parties/ one of the Parties, and furthermore the Parties have no objection to the appointment:
- a. within a period of six (6) recent months, the Adjudicator/ his office has provided any of the consultancy/ advisory/ expert opinion services to one of the Parties/ its affiliate;
 - b. within a period of six (6) recent months, the Adjudicator/ his office has represented one of the Parties/ its affiliate;
 - c. the Adjudicator/ his office is representing one of the Parties/ its affiliate in another dispute, but it is not related to the Case;
 - d. the Adjudicator/ his office periodically provides any of the consultancy/ advisory/ expert opinion services to one of the Parties/ its affiliate, and the Adjudicator/ his office get financial fees for the delivery of such services;
 - e. the Adjudicator's office is in a material business relationship with one of the Parties/ its affiliate on any subject matter that is not related to the Case;

- f. the Adjudicator has a family relationship with manager, director, or any member of board of commissioners or with anyone having a power to influence one of the Parties;
 - g. the Adjudicator/ his/her family has a family relationship with any third party having having a claim to debt to one of the parties;
 - h. the Adjudicator's family has any financial interests in the Adjudication Award that will be passed;
 - i. the Adjudicator's family has any financial interests in one of the Parties/ its affiliate;
 - j. the Adjudicator serves in a structural position in BAPMI (as a member of the Management or the Supervisory Board or the Honorary Council or an Executive Director);
 - k. The Adjudicator's office once had a material business relationship with one of the Parties/ its affiliate in any subject matter that is not related to the Case and without the involvement of the Adjudicator;
 - l. one of the Adjudicator's close family members is an associate or employee of a law firm representing one of the Parties, whether or not he/she participates or does not participate in handling the Case;
5. In case the Adjudicator meets one (1) or more of the following conditions, he/she can be appointed as an Adjudicator of the Case provided that he/she shall first submit disclosure of information to the Parties on his/her relationship with the Case and the Parties/ one of the Parties:
- a. within a period of three (3) recent years, the Adjudicator was appointed as a Mediator or Arbitrator in BAPMI for two (2) times or more by one of the Parties/ its affiliate;
 - b. within a period of three (3) recent years, the Adjudicator was appointed as a Mediator or Arbitrator outside BAPMI for two (2) times or more by one of the Parties/ its affiliate;
 - c. within a period of three (3) recent years, the Adjudicator accepted appointment for more than three (3) times as a Mediator or Arbitrator by the same attorney of either Party;
 - d. within a period of three (3) recent years, the Adjudicator/ his office has acted as an attorney/ consultant/ advisor/ expert for one of the Parties/ its affiliate in respect of any subject matter that is not related to the Case, and the relationship has ended at least six (6) months before being appointed as an Adjudicator;
 - e. within a period of three (3) recent years, the Adjudicator/ his office has provided any of the consultancy/ advisory/ expert opinion services to one of the Parties/ its affiliate

- in respect of any subject matter that is not related to the Case, and the relationship has ended at least six (6) months before being appointed as an Adjudicator;
- f. within a period of three (3) recent years, the Adjudicator has been associated with one of the Parties/ its affiliate professionally, e.g. a former employee or associate, and the relationship has ended at least six (6) months before being appointed as an Adjudicator;
 - g. an office sharing revenue with the Adjudicator's office has provided any of the legal/ consulting/ advisory/ expert opinion services to one of the Parties/ its affiliate in any subject matter that is not related to the Case;
 - h. the Adjudicator and any attorney of either Party are members of the same professional and or hobby association/ organization;
 - i. within three (3) recent years, the Adjudicator was once an associate of or affiliated with any attorney of either Party/ its affiliate, and the relationship has ended at least six (6) months before being appointed as a Adjudicator;
 - j. within three (3) recent years, one of the associates in the Adjudicator's office was once a Mediator or Arbitrator in a dispute and he/she is appointed by one of the Parties/ its affiliate;
 - k. within a period of three (3) recent years, the Arbitrator has been acting as a judge or Arbitrators and had handled material disputes involving one of the Parties/ its affiliate;
 - l. the Adjudicator is a minority shareholder, either directly or indirectly, of one of the Parties/ its affiliate by having no power to influence one of the Parties;
 - m. the existence of a close personal relationship between the Adjudicator and either Party/ the attorney, as shown by the fact that they meet on a regular basis or frequently outside the office affairs;
 - n. the existence of a close personal relationship between the Adjudicator and any director, commissioner, or a person having an influence in the control of one of the Parties/ its affiliate, as shown by the fact that they meet on a regular basis or frequently outside the office affairs.

**ANNEX IV
MODEL AGREEMENT OF BAPMI'S ADJUDICATION**

This Agreement is made between:

[name and address of Financial Service Consumer (the First Party)]

[name and address of the Financial Service Provider (the Second Party)]

CONSIDERING:

- (a) That the First Party and the Second Party (hereinafter referred to as the "**Parties**") have a dispute between the Parties in the Capital Market Field, (hereinafter referred to as the "**Dispute**") as follows:
-
 -
 -
- (b) That the Parties have pursued settlement efforts through deliberation and Mediation but fail to reach a settlement agreement.
- (c) That the Parties have agreed to use the services provided by BAPMI's Adjudication to resolve the said dispute.

THE PARTIES AGREE AS FOLLOWS:

**Article 1
Registration**

- (1) The Parties agree to settle the dispute in BAPMI's Adjudication, and agree that the first party shall file a Petition for Adjudication to BAPMI.
- (2) The Parties agree to be subject to and obey the Adjudication Award, which will be passed by the Panel through the Adjudication process.

**Article 2
Rules and Procedures of Adjudication**

The Parties agree to comply fully with the Rules and Procedures of BAPMI's Adjudication, as attached to this Agreement, and the Parties procure that any of persons acting as their representatives, agents, and attorneys is also subject to the Adjudication Agreement and these Rules and Procedures.

Article 3 Approval of Disclosure

The Parties agree that all or part of information (including information on Consumers) and or confidential information that may be disclosed in the Adjudication process shall waive the obligation of the Second Party to maintain confidentiality in accordance with applicable law and or any agreements with Consumers.

Article 4 Waiver

- (1) The First Party and the Second Party (including any of their representatives) may not make any claims against BAPMI, BAPMI's Management, BAPMI's Officers or Adjudicators, including but not limited to claims in respect of:
 - (a) part or all services provided by BAPMI (or provided by any of the Management, employees, or representatives);
 - (b) any Adjudication process conducted by BAPMI;
 - (c) any disputes filed by the First Party;
 - (d) any claims made by the First Party;
 - (e) any dispute settlement reached between the Parties (or any of their representatives);
 - (f) any dispute settlement conducted by the First Party and the Second Party (including or any of their representatives);
 - (g) any actions to be in conformity with the laws, regulations or administrative requirements imposed by the Capital Market Regulator or other government agencies; and or
 - (h) any actions taken to meet requirements of laws, regulations or court order.
- (2) The Parties acknowledge and agree that any claims against BAPMI (including any of the Adjudicator, Management, Secretary, and other BAPMI personnel) that are made in violation of the provisions of paragraph (1) will be a material and real loss to BAPMI. Therefore, the Parties entitle BAPMI to take any proceedings on these claims, and BAPMI also reserves the right to claim any of the Parties for full compensation of any legal fees incurred by BAPMI thereon.

Article 5 Adjudication Award

- (1) The Adjudication Award will be attached to this Agreement right after being pronounced by Adjudicator, and shall constitute an integral and inseparable part of this Agreement.

- (2) The Second Party declares it is subject to and obedient to any Adjudication Award.
- (3) The Second Party agrees that, pursuant to the Rules and Procedures of BAPMI's Adjudication, the First Party has an option to accept or reject the Adjudication Award.
- (4) In the case of the First Party accepting the Adjudication Award, the First Party shall declare it by affixing the signature of approval on the Adjudication Award document, and thus the Adjudication Award has final and binding legal force on the Parties.
- (5) In the case of the First Party rejecting the Adjudication Award, the Adjudication Award is thus considered to be non-existent and has no legal consequences on the Parties.

IN WITNESS WHEREOF, this Agreement is made in Jakarta, on the day of, in two (2) copies, each of which is original and verbatim copy and have the same legal force as the other.

Date and Signature:

First Party

Second Party

[name]

[name]
[title]

----- ANNEX TO AGREEMENT -----

**Adjudication Award
[to be included later]**