

**RULES OF THE INDONESIAN CAPITAL MARKET ARBITRATION BOARD
NUMBER: 04/BAPMI/12.2014**

CONCERNING

RULES AND PROCEDURES OF ARBITRATION

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 Arbitration services;
 - b. whereas BAPMI’s Arbitration services, which were regulated under one (1) rules and procedures together with Binding Opinion and mediation services, should be separated into their respective rules and procedures in order to facilitate users of BAPMI services in understanding the rules and procedures, and also facilitate BAPMI in terms of future amendments of any of the provisions therein;
 - c. whereas BAPMI’s rules and procedures regulating Arbitration services need to be reviewed in order to adjust to developments of Alternative Dispute Resolution, Arbitration and Capital Market;
 - d. whereas in consideration of the foregoing, it is necessary to establish new Arbitration 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.07/2014 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;
5. 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 ARBITRATION

CHAPTER I GENERAL PROVISIONS

Article 1 Definitions

- (1) In these Rules and Procedures:
 - (a) **Arbitration** refers to an out-of-public court settlement mechanism for civil disputes, to be held in BAPMI with the application these Rules and Procedures based on an Arbitration Agreement.
 - (b) **Arbitrator** is one or more persons who are BAPMI's Permanent Arbitrators or BAPMI's Non-Permanent Arbitrators appointed in accordance with these Rules and Procedures as a Sole Arbitrator/ Arbitral Tribunal to examine cases and pass Arbitration Awards on particular disputes submitted for settlement to BAPMI's Arbitration.
 - (c) **BAPMI's Permanent Arbitrator** is an individual who is appointed by BAPMI as an Arbitrator in accordance with the provisions of Article 8 paragraph (2), whose name is then listed in the List of Permanent Arbitrators.

- (d) **List of BAPMI's Permanent Arbitrators** refers to a list issued by BAPMI containing names of Permanent Arbitrators.
- (e) **BAPMI's Non-Permanent Arbitrator** means an individual who is appointed by BAPMI as an Arbitrator in accordance with the provisions of Article 8 (4) whose status as an Arbitrator in BAPMI is only temporary, per examination of a dispute or case.
- (f) **Sole Arbitrator** means a sole Arbitrator appointed in accordance with these Rules and Procedures to pass an award in respect of a certain dispute submitted for settlement through BAPMI's Arbitration.
- (g) **Arbitral Tribunal** is an assembly consisting of several Arbitrators in an odd number that is formed through the appointment of Arbitrators in accordance with these Rules and Procedures to pass an award in respect of a dispute submitted for settlement through BAPMI's Arbitration.
- (h) **Code of Conduct** refers to a code of conduct or code of ethics that applies to BAPMI's Arbitrators as it has been approved in BAPMI's Annual General Meeting of Members dated 30th June 2004 and any amendments thereto, if any.
- (i) **Guidelines for Conflict of Interest** are guidelines that must be observed by an Arbitrator when he/she is going to be appointed and/or during his/her service as an Arbitrator for a case in BAPMI's Arbitration as a benchmark to determine the level of conflict of interest in the relevant Arbitrator him/herself, so as to easily determine whether the relevant Arbitrator is feasible or not feasible to accept the appointment and serve as an Arbitrator in the case in question.
- (j) **Petition for Arbitration** refers to a written petition for dispute settlement through BAPMI's Arbitration submitted by a Petitioner to BAPMI based on these Rules and Procedures containing a statement of claim from the Petitioner to the Respondent.
- (k) **Arbitration Agreement** is an agreement in the form of an Arbitration clause contained in a written agreement entered into by the Parties before the dispute arises, or a separate Arbitration Agreement entered into by the Parties after the dispute arises.
- (l) **Party** refers to a legal subject, in both civil law and public law, acting as a Petitioner, Respondent, Co-respondent or Intervenant in BAPMI's Arbitration. The term "**Parties**" in these Rules and Procedures shall refer to two (2) or more Parties collectively, depending on the context of the sentence.
- (m) **Petitioner** is a Party or Parties filing a Petition for Arbitration to BAPMI pursuant to these Rules and Procedures.
- (n) **Respondent** is a Party or Parties acting as an opponent(s) of a Petitioner in the settlement of disputes through Arbitration.

- (o) **Co-respondent** is a Party or Parties that is also included by the **Petitioner** an opponent(s) of the Petitioner in a Petition for Arbitration.
 - (p) **Intervention** is a legal action by or to a third party outside an Arbitration Agreement having an interest in a Petition for Arbitration by way of self-involving or being involved by a Petitioner or a Respondent in an ongoing Arbitration process of a case in BAPMI.
 - (q) **Management** refers BAPMI's management as stipulated in BAPMI's Articles of Association and any amendments thereto, if any.
 - (r) **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.
 - (s) **Secretary** is one (1) or more Secretariat personnel designated by the Management to assist a Sole Arbitrator/ Arbitral Tribunal in recordkeeping and administrative affairs during an Arbitration process.
 - (t) **Counterclaim** is a counterclaim filed by a Petitioner against a Respondent.
 - (u) **Deed of Settlement** is a deed containing the contents of the Settlement Agreement and the Arbitration Award confirming such Settlement Agreement which is not subject to ordinary or extraordinary legal remedies.
 - (v) **Settlement Agreement** is a document containing terms agreed by the Parties in order to put an end to a dispute as a result of settlement efforts with the help of a Mediator under these Rules and Procedures.
 - (w) **Arbitration Award** refers to an award passed on a dispute by a Sole Arbitrator/ Arbitral Tribunal in accordance with these Rules and Procedures.
 - (x) **District Court** is a District Court, the jurisdiction of which covers the Respondent's domicile/ residence.
 - (y) **Mediation** refers to an out-of-court settlement mechanism for disputes through a negotiation process to obtain a Settlement Agreement with the assistance of Mediator.
 - (z) **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.
- (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 Arbitration.
- (2) Disputes that can be resolved through BAPMI's Arbitration 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) between a Petitioner and a Respondent bound by an Arbitration Agreement.
- (3) Settlement of disputes under these Rules and Procedures shall be conducted by the Parties on the basis of good faith and dignity, based on cooperative and non-confrontational procedures with the exclusion of judicial remedies by court and/or other Arbitration institutions.
- (4) BAPMI, including any of its Arbitrators, 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.
- (5) Any of the Parties, Arbitrators, Management, Secretary, and Secretariat personnel shall comply with any provisions set out under these Rules and Procedures.

CHAPTER II
PRE-EXAMINATION OF ARBITRATION

Article 3
Arbitration Agreement

- (1) The Parties may agree in writing on a dispute that occurs or will occur between them to be resolved through BAPMI's Arbitration in an Arbitration Agreement document.
- (2) An Arbitration Agreement may agree on other Arbitration procedures than these Rules and Procedures to the extent not inconsistent with the provisions of compulsory laws and BAPMI's policies.
- (3) BAPMI's Arbitration Agreement can be:

- (a) an agreement in the form of an Arbitration clause contained in a written agreement entered into by the Parties before the dispute arises; or
 - (b) a separate Arbitration Agreement entered into by the Parties after the dispute arises with regard to the provisions of Article 4.
- (4) An Arbitration Agreement must explicitly mention its designation of BAPMI's Arbitration forum. However, for the sake of legal certainty, in case the Parties in the Arbitration Agreement does not mention an Arbitration forum, but it is agreed to use BAPMI's Rules and Procedures, the Parties are deemed to have designated BAPMI's Arbitration forum in the Arbitration Agreement.
- (5) The Parties having bound on BAPMI's Arbitration Agreement have agreed legally to nullify proceedings by any District Court and/or other Arbitration institutions, and will enforce any award passed by the Sole Arbitrator/ Arbitral Tribunal pursuant to these Rules and Procedures.
- (6) Applicability of terms on abolition of the principal agreement, or expiration or cancellation of the principal agreement, does not cancel the Arbitration Agreement, even though the Arbitration Agreement is set out in the Arbitration Clause of the principal agreement.
- (7) An Arbitration Agreement is binding also on any third party not signing the Arbitration Agreement, as referred to in Article 10 of Law Number 30 of 1999 and any acceptable legal doctrine in the Arbitration practice. When the Petitioner, against any third party not signing the Arbitration Agreement, suggests that the third party is also bound on the Arbitration Agreement, the Sole Arbitrator/ Arbitral Tribunal, in providing legal considerations, must consider whether the Petitioner's argument can be applied on the governing law and in the jurisdiction where the award will be enforced.

Article 4

Arbitration Agreement after Dispute

- (1) In the event that the Parties choose the dispute settlement through Arbitration after a dispute occurs, the consent on the same must be made in a written Arbitration Agreement signed by the Parties.
- (2) In the event that the Parties cannot sign the Agreement, as referred to in paragraph (1), a written agreement must be made in a notarial deed.
- (3) The Agreement, as referred to in paragraph (1) or paragraph (2), shall contain:
- (a) the issue in dispute;
 - (b) the full names and residences of the Parties;
 - (c) an agreement and consent of the Parties to resolve the dispute through BAPMI's Arbitration forum.

- (d) the full name and residence of the Sole Arbitrator/ Arbitral Tribunal;
 - (e) a place on which the Sole Arbitrator/ Arbitral Tribunal will pass an award;
 - (f) the full name of the Secretary;
 - (g) a period of dispute settlement;
 - (h) a statement of preparedness of the Arbitrator; and
 - (i) a statement of preparedness of the disputing Parties to bear all costs for convening such Arbitration.
- (4) The Arbitration Agreement, referred to in paragraph (1) or paragraph (2), which does not contain matters, as referred to in paragraph (3), shall be null and void, unless otherwise stated by the law chosen by the Parties.
- (5) BAPMI, upon request of either Party, may facilitate a meeting between the Parties in order to make the Arbitration Agreement.

Article 5 Notification

- (1) In the event that a dispute arises, and before the Petitioner files a registration of Petition for Arbitration to BAPMI, the Petitioner must notify the Respondent with a copy to the Management via registered mail, telegram, telex, facsimile, e-mail or by letter sent via courier, that the requirements of Arbitration to be held by the Parties has been effective.
- (2) The notification, as referred to in paragraph (1), contain clearly:
- (a) the name and address of the Parties;
 - (b) the designation to the Arbitration Agreement;
 - (c) the basis of claim and the amount required;
 - (d) the way of settlement desired;
 - (e) the number of Arbitrators in accordance with the Arbitration Agreement, or if it is not previously agreed, the Petitioner can submit a proposal on the number of Arbitrators (in an odd number), subject to the provisions of Article 9 paragraph (2).
- (3) The Respondent must respond to the Petitioner, with a copy to the Management, not later than within ten (10) days after receiving such notification, particularly a respond on the number of Arbitrators proposed by the Petitioner.

- (4) In the event that the Arbitration Agreement is entered into after a dispute arises, the notification, as referred to in paragraph (1), is no longer required.

Article 6

Registration of Petition for Arbitration

- (1) Arbitration is held based a registration of Petition for Arbitration filed by the Petitioner to BAPMI in a sufficient number of copies for the purposes of Arbitration proceedings.
- (2) Petition for Arbitration may form:
 - (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 clear content of the claim; and
 - (b) annexes:
 - (i) a copy of payment slip of the Registration Fee pursuant to these Rules and Procedures;
 - (ii) a copy of the Arbitration Agreement underlying said Petition for Arbitration;
 - (iii) a deed of list of evidence presented and the descriptions;
 - (iv) a copy of evidentiary documents, or when it is not included, the Petition for Arbitration must explain that the copy of said evidentiary documents will be presented at proceeding pursuant to these Rules and Procedures.
- (3) The Management provides confirmation of acceptance or rejection with regard to the registration of Petition for Arbitration 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 Arbitration 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.
- (5) When the Petition for Arbitration is accepted, the confirmation letter, as referred to in paragraph (3), shall also contain:
 - (a) a notice on commencement of Arbitrator appointment;

- (b) a notice regarding the name of Secretary appointed by the Management for the case in question;
 - (c) information as to Arbitration fees for the case in question; and
 - (d) a copy of the Petition for Arbitration to the Respondent.
- (6) The Secretariat, on the same date as the date of said confirmation, as referred to in paragraph (5), shall record the Petition for Arbitration in a case registry book of BAPMI and include the case registration code number.
- (7) Even a registration of Petition for Arbitration has been accepted, as contemplated in paragraph (5), an exception from the Respondent and/or Co-respondent with respect to BAPMI's Arbitration authority to examine the case is possibly brought, given that the acceptance is given based on documents provided by one Party only (the Petitioner). In this regard, only a Sole Arbitrator/ Arbitral Tribunal is authorized to examine and decide the said exception, and the Petitioner fully receives the risk of possibility that the Petition for Arbitration is declared unacceptable by the Sole Arbitrator/ Arbitral Tribunal and the consequence of Arbitration fees that must still be met by the Petitioner under the provisions of these Rules and Procedures.
- (8) The Management may delegate its authority to confirm the registration of Petition for Arbitration to the Secretariat personnel.

Article 7 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 Arbitration.
- (2) The Secretary has the following duties:
- (a) drawing up minutes of examination or proceeding;
 - (b) drawing up minutes of Arbitral Tribunal consultative meeting;
 - (c) maintaining Arbitration correspondence;
 - (d) keeping Arbitration records and documents;
 - (e) signing summons for proceeding/ examination delivered to the Parties on behalf of the Sole Arbitrator/ Arbitral Tribunal;
 - (f) assisting the Sole Arbitrator/ Arbitral Tribunal in scheduling examination and reminding the period of Arbitration;

- (g) assisting the Sole Arbitrator/ Arbitral Tribunal in preparing a report to the Management regarding the Arbitration completion;
 - (h) being an authorized of the Sole Arbitrator/ Arbitral Tribunal to register the Arbitration Award;
 - (i) 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 Arbitration 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 ARBITRATOR

Article 8 Arbitrator Requirements

- (1) In order to be an Arbitrator in BAPMI's Arbitration, a person must have been appointed by the Management as BAPMI's Permanent Arbitrator or BAPMI's Non-Permanent Arbitrator.
- (2) The Management shall appoint BAPMI's Permanent Arbitrator according to the following provisions:
 - (a) The nomination of a person to be BAPMI's Permanent Arbitrator shall be resolved in a Management Meeting based on the Management's knowledge in respect of relevant candidate's integrity and capability;
 - (b) BAPMI's Permanent Arbitrator candidate shall 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 Arbitrator when he/she can meet the requirements, as referred to in Annex II.
- (3) The Management shall issue a List of BAPMI's Permanent Arbitrators, which is open to the public, and update any changes to the list.
- (4) The Management may appoint a person to be BAPMI's Non-Permanent Arbitrator according to the following provisions:
 - (a) the nomination of a person to be BAPMI's Non-Permanent Arbitrator shall be proposed by the Petitioner/ the Respondent or the Arbitrator of the case to the Management, or at the Management's sole discretion;

- (b) the nomination is approved by the Parties and based on a reason that no Arbitrator in the List of BAPMI's Permanent Arbitrators meets certain qualifications needed to examine the case in question;
- (c) the person nominated is experienced as an Arbitrator in another Arbitration institution and/or recorded as a Permanent Arbitrator in another Arbitration institution;
- (d) the person nominated shall 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;
- (e) a person's status as BAPMI's Non-Permanent Arbitrator shall automatically expire upon completion of his/her duties as an Arbitrator of the case in question;
- (f) the appointment of a person to be a Non-Permanent Arbitrator shall not for the position of Sole Arbitrator/ Chairman of Arbitral Tribunal;
- (g) the person nominated meets the requirements as stipulated in Article 12 paragraph (2).
- (h) the person nominated shall submit to the Management a letter of intent to be BAPMI's Permanent Arbitrator for a particular case;
- (i) the Management shall issue an appointment letter as BAPMI's Non-Permanent Arbitrator within a maximum period of twenty one (21) days after the date of nomination, as referred to in sub-paragraph (a).

Article 9

Determination of Number of Arbitrators

- (1) The Parties to Arbitration may agree on the number of Arbitrators who will examine the dispute between them, in an odd number.
- (2) When the Arbitration Agreement does not or have not set out the number of Arbitrators, it is considered that the number of Arbitrators is three (3) persons, except the Parties may agree otherwise at a maximum period of before The Management sends the confirmation of the registration of Petition for Arbitration, as stipulated in Article 6 paragraph (5).
- (3) When the Parties agree on more than three (3) persons in respect of the number of Arbitrators, the provisions concerning the procedures for Arbitrator appointment shall be determined exclusively by the Management on a case-by-case basis, unless it can be agreed otherwise by the Parties.
- (4) The Parties, as referred to in paragraph (1), are the Petitioner (or the Petitioners) and the Respondent (or the Respondents), while the Parties included or self-including into the

Arbitration case as the Co-respondent and/or the Intervenant do not have the right to participate in discussion and determination of the number of Arbitrators.

- (5) When there is more than one (1) Petitioner, then all the Parties acting as the Petitioner (the Petitioners) should be considered as one (1) single Party in the terms of proposing the number of Arbitrators, such provision being applicable mutatis mutandis on the Respondents.

Article 10 **Appointment of Sole Arbitrator**

- (1) In the event that a dispute arising will be examined and decided by a Sole Arbitrator, the Parties are required to reach an agreement on appointment of the Sole Arbitrator. In the case of more than one (1) Petitioner and/or Respondent, appointment of the Sole Arbitrator shall be by the consent of all Parties.
- (2) The Parties, as referred to in paragraph (1), are the Petitioner (or the Petitioners) and the Respondent (or the Respondents), while the Parties included or self-including into the Arbitration case as the Co-respondent and/or the Intervenant do not have the right to participate in discussion and selection of the Arbitrator.
- (3) Within a maximum period of fourteen (14) days after the Parties receive a confirmation on registration of Petition for Arbitration, as referred to in Article 6 paragraph (5), the Parties shall notify the Management regarding the agreement in appointing a Sole Arbitrator, as referred to in paragraph (1), together with a letter confirming acceptance of appointment by relevant Sole Arbitrator.
- (4) If until the lapse of the period, as referred to in paragraph (3), the Parties fail to reach an agreement on appointment of a Sole Arbitrator, the Management will appoint a Sole Arbitrator within fourteen (14) days after the expiration of the time limit.
- (5) The Management may extend the period at a maximum of ten (10) days.
- (6) Appointment of a Sole Arbitrator made by the Management, as referred to in paragraph (4), shall be final and binding on the Parties, unless a Right of Refusal is filed.

Article 11 **Appointment of Arbitrators in Arbitral Tribunal**

- (1) In the event that a dispute arising will be examined and decided by the Arbitral Tribunal, any of the Parties is given an opportunity to appoint an Arbitrator.
- (2) The Parties, as referred to in paragraph (1), are the Petitioner (or the Petitioners) and the Respondent (or the Respondents), while the Parties included or self-including into the Arbitration case as the Co-respondent and/or the Intervenant do not have the right to participate in discussion and selection of the Arbitrator.

- (3) When there is more than one (1) Petitioner, then all the Parties acting as the Petitioner (the Petitioners) should be considered as one (1) single Party in the terms of appointment of Arbitrator, such provision being applicable mutatis mutandis on the Respondents.
- (4) The appointment of Arbitrator by the Parties:
 - (a) within a maximum period of fourteen (14) days after any of the Parties receives confirmation in respect of the registration of Petition for Arbitration, as referred to in Article 6 paragraph (5), any of the Parties shall have given a notice to the Management on appointment of Arbitrator by attaching the confirmation appointment letter acceptance from of relevant Arbitrator.
 - (b) If until the expiry of the period, as referred to in sub-paragraph (a), any of the Parties fails to appoint an Arbitrator, the Management shall appoint an Arbitrator for the Party within a maximum period of fourteen (14) days after the expiration of the time limit.
 - (c) The Management may extend the period, as referred to in sub-paragraph (a) and sub-paragraph (b), no later than 10 (ten) days.
- (5) Appointment of an Arbitrator by the two Arbitrators:
 - (a) the two Arbitrators appointed are authorized to appoint the third Arbitrator.
 - (b) within a maximum period of fourteen (14) days after the last Arbitrator is appointed, the Arbitrator shall give a notice to the Management on appointment of third Arbitrator by attaching the confirmation appointment letter acceptance from of relevant Arbitrator.
 - (c) If until the expiry of the period, as referred to in sub-paragraph (b), the two Arbitrators fail to appoint the third Arbitrator, the Management shall appoint the third Arbitrator within a maximum period of fourteen (14) days after the expiration of the time limit.
 - (d) The Management may extend the period, as referred to in sub-paragraph (b) and sub-paragraph (c), not later than 10 (ten) days.
- (6) The third Arbitrator shall be appointed as Chairman of Arbitral Tribunal, unless otherwise agreed by the Arbitrators in the Arbitral Tribunal.
- (7) In an Arbitral Tribunal, there shall be at least one (1) Arbitrator with a background of legal experience.

Article 12
Confirmation of Appointment of Arbitrators

- (1) An Appointed Arbitrator may accept or reject the appointment.

- (2) An Arbitrator may only accept the appointment when he/she meets the following requirements:
 - (a) listed in the List of BAPMI's Permanent Arbitrators, or appointed as BAPMI's Non-Permanent Arbitrator;
 - (b) being in good health physically and mentally (medically fit), thus capable of performing his/her duties as Arbitrator properly;
 - (c) permitted under the provisions set forth in the Guidelines for Conflict of Interest, as referred to in Annex III;
 - (d) making a letter of statement and disclosure in a form as specified from time to time by the Management.;
- (3) An Arbitrator is fully responsible for all legal risks arising from the truth of the statement and disclosure he/she made and signed, as referred to in paragraph (2) sub-paragraph (d).
- (4) A notification of acceptance/ rejection, as referred to in paragraph (1), shall be submitted in writing within a maximum period of seven (7) days after the date of appointment, provided that:
 - (a) if a Sole Arbitrator is appointed by the Parties, the notification is addressed to the Parties with a copy to the Management;
 - (b) if a Sole Arbitrator is appointed by the Management, the notification is addressed to the Management with a copy to the Parties;
 - (c) if an Arbitrator is appointed for an Arbitral Tribunal by one Party, the notification is addressed to the Parties with a copy to the other Party and the Management;
 - (d) if an Arbitrator is appointed for an Arbitral Tribunal by the Management, the notification is addressed to the Management with a copy to the Parties;
 - (e) if a third Arbitrator is appointed by two Arbitrators, the notification is addressed to the two Arbitrators with a copy to the Parties and the Management;
 - (f) if a third Arbitrator is appointed by the Management, the notification is addressed to the Management with a copy to the Parties and the two other Arbitrators.

Article 13
Appointment of Case Arbitrator

- (1) Within a maximum period of ten (10) days after the Sole Arbitrator confirming acceptance of his/her appointment as a Sole Arbitrator, the Management shall issue a Management decree on appointment of said Arbitrator as a Sole Arbitrator for the case in question.
- (2) Within a maximum period of ten (10) days after the last Arbitrator confirming acceptance of his/her appointment as an Arbitrator in an Arbitral Tribunal, the Management shall issue a Management decree on appointment of said Arbitrator as a Arbitral Tribunal for the case in question.
- (3) When appointment of an Arbitrator does not comply with the provisions set forth and these Rules and Procedures, the Management is authorized to reject the appointment of said Arbitrator and subsequently appointment of another Arbitrator shall be made in accordance with the procedures for appointment of the Arbitrator being rejected.
- (4) In the context of issuing the decree, as referred to in paragraph (1) and/or paragraph (2), the Management may request additional information with respect to the independence, impartiality and/or qualifications of the appointed Arbitrator.
- (5) When appointment of an Arbitrator does not comply with the provisions set forth and these Rules and Procedures, the Management is authorized to reject the appointment of said Arbitrator and subsequently appointment of another Arbitrator shall be made in accordance with the procedures for appointment of the Arbitrator being rejected.
- (6) After the issuance of such appointment letter, as referred to in paragraph (1) or paragraph (2), the Arbitrator cannot be substituted or resign, except in accordance with the terms and procedures as set forth in Article 15 and Article 16.
- (7) After the appointment, as referred to in paragraph (1) and/or paragraph (2), the Management shall submit the file of Petition for Arbitration to the Sole Arbitrator/ Arbitral Tribunal through the Secretary in order to immediately schedule the first proceeding.

Article 14 **Obligations and Responsibilities of Arbitrator**

- (1) The Arbitrator shall comply with the provisions of the Code of Conduct. Any alleged violations of the Code of Conduct will be processed by BAPMI through an ethical tribunal.
- (2) The Arbitrator shall conduct his/her function his/her duties to its completion in a professional, impartial, independent manner and maintain the integrity and uphold the Code of Conduct.
- (3) The Arbitrator shall provide equal and fair opportunities to each Party to be heard their information, and present evidence.
- (4) The Arbitrator 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 12 paragraph (2).

CHAPTER IV
ARBITRATOR SUBSTITUTION

Article 15
Request for Substitution and
Application for Resignation of Arbitrators

- (1) A request for Arbitrator substitution from either Party:
 - (a) Either Party may request for Arbitrator substitution (right of refusal) in writing to the Management with a copy to the Sole Arbitrator/ Arbitral Tribunal and the other parties when the relevant Arbitrator does not meet one (1) or more requirement(s), as referred to in Article 12 paragraph (2).
 - (b) The Management shall immediately suspend the arbitration process until a certainty regarding such request for Arbitrator substitution, as referred to in sub-paragraph (a), is given.
 - (c) The other party and/or relevant Arbitrator 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 and/or relevant Arbitrator is/are object to such request for Arbitrator substitution, the matter shall be decided by the Management within a maximum period of fourteen (14) days.
 - (e) In the event that the other party and/or relevant Arbitrator is/are not object to such request for Arbitrator substitution, the Management shall immediately revoke the appointment letter of relevant Arbitrator, as referred to in Article 13 paragraph (1) or paragraph (2).
 - (f) In case of no response from the other party and/or relevant Arbitrator, he/they is/are considered to give no objection to such request for Arbitrator substitution.

- (2) An application for Arbitrator resignation:
 - (a) An Arbitrator may apply for a resignation to the Management and the Parties, with a copy to other Arbitrators (in case of Arbitral Tribunal), when the relevant Arbitrator does not meet 1 (one) or more requirement(s), as referred to in Article 12 paragraph (2).
 - (b) The Management shall immediately suspend the arbitration process until a certainty regarding such application for Arbitrator resignation, as referred to in sub-paragraph (a).

- (c) The Parties shall provide a written response to the application, as referred to in subparagraph (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 Arbitrator resignation, the matter shall be decided by the Management within a maximum period of fourteen (14) days.
 - (e) The Arbitrator 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 13 paragraph (1) or paragraph (2).
 - (g) In case of no response from any of the Parties, he/she is considered to have no objection to the application for Arbitrator resignation.
- (3) In case the Management decides to reject the request for Arbitrator substitution, as referred to in paragraph (1), or the application for Arbitrator resignation, as referred to in paragraph (2), the Arbitrator shall remain in charge and the Arbitration resumes.
 - (4) In case the Management decides to accept the request for Arbitrator substitution, as referred to in paragraph (1), or the application for Arbitrator resignation, as referred to in paragraph (2), the Management shall immediately revoke the appointment letter of the case Arbitrator, as referred to in Article 13 paragraph (1) or paragraph (2).
 - (5) The Management's decision, as referred to in paragraph (3) and paragraph (4), shall be final and binding on the parties and the relevant Arbitrator.
 - (6) Within a maximum period of fourteen (14) days after the date of revocation of said appointment letter, a substitute Arbitrator must be appointed by the one who appointed the Arbitrator being substituted, whether appointed by the Parties (in case of Sole Arbitrator), or the Petitioner, or the Respondent, or the two Arbitrators, or the Management.
 - (7) When the Parties, the Petitioner, the Respondent or the two Arbitrators fail to appoint a substitute Arbitrator within the period as referred to in paragraph (6), the Management shall appoint a substitute Arbitrator within a maximum period of fourteen (14) days as of the lapse of such period. The Management may extend the period no later than ten (10) days.

Article 16

Arbitrator Substitution for Other Reasons

- (1) In the event that an Arbitrator 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 13 paragraph (1) or paragraph (2).

- (2) The substitute Arbitrator shall be appointed according to the same provisions as Article 15 paragraph (6) and paragraph (7).

Article 17 **Effect of Arbitrator's Substitution**

- (1) An Arbitration Process shall be suspended temporarily by the Sole Arbitrator/ Arbitral Tribunal or by the Management (in case of not performed by Sole Arbitrator/ Arbitral Tribunal) in the event of a request for Arbitrator substitution or an application for Arbitrator resignation.
- (2) Basically, a substitute Arbitrator is in charge of continuing the settlement of relevant dispute based on the last examination made.
- (3) In the event of the Sole Arbitrator/ Chairman of Arbitral Tribunal being substituted, all examination made shall be repeated based on the existing letters and documents, although previously the examination proceeding has been declared to be concluded, as referred to in Article 33 paragraph (4). The meaning of "repeated examination" in this paragraph is a repetition of Procedures on hearing testimonies of the Parties, and hearing testimonies of witnesses, while all documents submitted do not need to be re-submitted.
- (4) In the case of any members of the Arbitral Tribunal being substituted, the examination is repeated in a reasonably orderly manner by and among the Arbitrators based on the existing minutes and documents, although previously the examination proceeding has been declared to be concluded, as referred to in Article 33 paragraph (4).
- (5) In the event that the examination has been concluded, as referred to Article 33 paragraph (4), and notwithstanding the provisions of paragraph (3) and paragraph (4) and Article 15 paragraph (6) and paragraph (7) and Article 16 paragraph (2), the remaining members of the Arbitral Tribunal shall be authorized to continue the Arbitration process for Arbitration Award pronouncement, unless any objection from either Party or the Parties is filed.

CHAPTER V **EXAMINATION OF ARBITRATION**

Article 18 **Timeframe**

- (1) The term of Arbitration examination shall be 180 (one hundred and eighty) days from the date of appointment of the Sole Arbitrator/Arbitral Tribunal as the case Arbitrator, as referred to in Article 13 paragraph (1) and/or paragraph (2).
- (2) The term of Arbitration examination as mentioned in paragraph (1) shall be not included in the calculation of examination and enforcement of provisional decision or other preliminary orders, or drafting the Arbitral Award.

- (3) The Sole Arbitrator/ Arbitral Tribunal is authorized, at the proceeding, to extend the term, as referred to in paragraph (1), when:
 - (a) a petition is filed by one of the Parties regarding a certain specific thing, such as a claim between or an incidental claim outside the main dispute such as a petition for collateral confiscation as set forth in the Civil Procedure Code;
 - (b) as a result of examination, any provisional decision or other preliminary orders are decided;
 - (c) there is a request of the Arbitrator substitution (claim for right of refusal);
 - (d) resignation of any Arbitrator occurs;
 - (e) substitution of any Arbitrator is made due to reasons as stated in Article 16;
 - (f) a settlement effort is made;
 - (g) it is considered necessary by the Sole Arbitrator/ Arbitral Tribunal for the purposes of examination;
 - (h) in addition to the foregoing, for any grounds that are reasonable and approved by the Parties.
- (4) In order to ensure the certainty of completion time of Arbitration examination, at the first proceeding, the Sole Arbitrator/ Arbitral Tribunal shall set up the next examination schedule until the Arbitration Award pronouncement.
- (5) When, after the extension of the examination term, the Arbitration proceeding is not yet completed, the Sole Arbitrator/ Arbitral Tribunal 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 Arbitration process.

Article 19 Language

- (1) Language used in all BAPMI's Arbitration processes shall be Indonesian language, except upon approval of the Management allowing the Parties to choose another language, provided, however, that the Arbitration Award shall be drawn up in Indonesian language.
- (2) The Sole Arbitrator/ Arbitral Tribunal may order the Parties to have any document or evidence coming with its translation into the language as referred to in paragraph (1).

Article 20

Place

- (1) BAPMI's Examination/ Arbitration proceedings shall be held in Jakarta or other places as designated by the Management together with the Sole Arbitrator/ Arbitral Tribunal. However, the Parties may propose another place, upon approval of the Management and the Sole Arbitrator/ Arbitral Tribunal.
- (2) The Sole Arbitrator/ Arbitral Tribunal may hear the testimonies of witnesses outside the Arbitration place, to be held for any reasonable grounds, for example due to residence of said witnesses.
- (3) Site inspection:
 - (a) The Sole Arbitrator/ Arbitral Tribunal may conduct a site inspection on goods in dispute or other matters relating to the dispute being examined;
 - (b) The Parties will be summoned lawfully in order to attend the examination as well;
 - (c) The local examination shall be conducted with due regard to the civil procedural law.
- (4) A place for convening a proceeding of Arbitration Award pronouncement may differ from the place of examination proceeding.
- (5) When BAPMI's Arbitration Award is pronounced outside the jurisdiction of the Republic of Indonesia, the said Arbitration Award shall be treated as an International Arbitration Award, except Indonesian laws and regulations do not state so, in which case it shall remain be treated as a National Arbitration Award.

Article 21

The 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 Arbitration takes place.

Article 22

Jurisdiction and Arbitrator's Authority

- (1) The Sole Arbitrator/ Arbitral Tribunal is authorized to decide to declare the validity of a principal agreement and/or an Arbitration Agreement.
- (2) Exception of absolute competency:
 - (a) The Sole Arbitrator/ Arbitral Tribunal is authorized to declare whether they are authorized or not authorized in connection with an exception of the Respondent

and/or the Co-respondent over the Arbitration absolute competency in examining the case.

- (b) At a maximum, an argument in an exception of Arbitration absolute competency must be brought by the Respondent and/or the Co-respondent in his/her Response. In the absence of such an exception, the Sole Arbitrator/ Arbitral Tribunal shall declare their authority in an ex-officio basis.
 - (c) In any exceptional circumstances, the Sole Arbitrator/ Arbitral Tribunal shall establish a decision to reject or accept the exception of absolute competency as a preliminary order. However, if deemed necessary, the Sole Arbitrator/ Arbitral Tribunal may also proceed with the Arbitration and decide the matter in the final award.
- (3) The Sole Arbitrator/ Arbitral Tribunal has all necessary authorities in respect with examination and decision-making, including in proceeding scheduling, establishment of proceeding rules, examination procedures that may be insufficiently regulated in these Rules and Procedures, and things as may be necessary for smooth implementation of the Arbitration examination.
 - (4) The Sole Arbitrator/ Arbitral Tribunal is entitled to impose sanctions against the Party failing or refusing to comply with what the Sole Arbitrator/ Arbitral Tribunal has established, as referred to in paragraph (3), and/or acting or taking any actions that are insulting to the proceeding and/or can hinder the examination process of the dispute.
 - (5) When one (1) Member of the Arbitral Tribunal does not attend a proceeding of Arbitral Tribunal for any reason whatsoever, the proceeding can proceed with an agreement of the Parties. As for the absence of the Chairman of Arbitral Tribunal or the absence of the Arbitral Tribunal Members, the proceeding shall be postponed.

Article 23 Attorney

- (1) Each Party to the dispute may be represented by his/her attorney by virtue of a special power of attorney, under the following provisions:
 - (a) a counsel who may be an attorney of the Parties in BAPMI's Arbitration must meet all the following requirements:
 - (i) holding a license of litigation practice pursuant to prevailing laws and regulations;
 - (ii) registered with the Financial Services Authority (*Otoritas Jasa Keuangan*) as Capital Market supporting professionals;
 - (iii) registered as a member of the Indonesian Association of Capital Market Legal Consultants;

- (b) in the case of more than one (1) attorney, at least one (1) attorney is required to meet the requirements set forth in paragraph (a) and acts as a lead counsel;
 - (c) when a Party is represented by a foreign counsel, he/she must be accompanied by an Indonesian counsel who meets the requirements in sub-paragraph (a).
- (2) When the Petitioner/ the Respondent intends to undergo BAPMI's Arbitration process without being accompanied by an attorney, the Petitioner/ the Respondent may ask for an explanation from BAPMI's Secretariat on how to draw up a statement of claim and/or other documents in written submission, verification, and conclusion.

Article 24
Documentation, Correspondence and Communication

- (1) The Parties are prohibited from recording any proceedings, in the form of either audio recordings, visual recordings or audio-visual recordings.
- (2) Correspondence shall be delivered by the Secretariat to the name(s) and address(es) as listed on the *persona standi* section in the Petition for Arbitration 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 Arbitral Tribunal/Sole Arbitrator has been formed, each Party is prohibited from communicating with Arbitrators in any way whatsoever in connection with the Petition for Arbitration, except in proceedings, or accompanied by a copy, which is also delivered to the other Party through the Secretary.
- (4) The correspondence from the Arbitral Tribunal/ Sole Arbitrator to the Parties, or from one Party to the Arbitral Tribunal/ Sole Arbitrator and the other Party, may be made on a proceeding and/or through the Secretariat.
- (5) Delivery or distribution of correspondence from the Secretary to the Parties can be made by courier, registered mail, facsimile and/or e-mail.
- (6) Delivery by the Secretary to the Parties by facsimile and 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 Arbitration documents, written submission documents, written statements of fact witnesses /expert witnesses, and deed of list of evidence and conclusion must come with the softcopy in a words document form.

- (8) Documentation, correspondence and communication that do not comply with the provisions of Article 24 shall be invalid and considered to be non-existent.

Article 25 Confidentiality

- (1) Any processes in Arbitration shall be confidential and take place privately, to be attended only by the Parties, the Sole Arbitrator/ Arbitral Tribunal and the Secretary, unless authorized by the Sole Arbitrator/ Arbitral Tribunal, upon approval of the Parties, or when necessary for the enforceability of Arbitration Award, as referred to in Article 40 paragraph (5) and paragraph (6).
- (2) Except when necessary for the enforceability of Arbitration Award, as referred to in Article 40 paragraph (5) and paragraph (6), all persons involved in the Arbitration process must maintain the confidentiality during the pre-arbitration, examination/ proceedings or after its completion, and do not use for any purpose whatsoever:
- (a) the fact that the Arbitration process on a case will be, is being and/or has been taken place;
 - (b) anything arising in the Arbitration process;
 - (c) any opinions expressed, claims, recommendations or settlement proposals made by the Parties for settlement of the dispute;
 - (d) all documents submitted and discussions conducted during the Arbitration 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 Arbitration Award.
- (3) The provisions of confidentiality, as referred to in paragraph (1) and/or paragraph (2), shall survive the completion of relevant Arbitration process, to be applicable to all persons involved in the Arbitration 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 Sole Arbitrator/ Arbitral Tribunal is authorized to temporarily suspend the Arbitration process until an assurance of violation non-recurrence in the future is obtained.

Article 26
Service of Process (Summons for Proceeding)

- (1) No later than 14 (fourteen) days after receiving files of Petition for Arbitration from the Management, the Sole Arbitrator/ Arbitral Tribunal, through the Secretary, shall deliver summons for the first proceeding to the Parties. In the summons, an order to the Respondent to provide response (the "**Response**") in writing at the first proceeding is stated.
- (2) The first proceeding, as referred to in paragraph (1), shall be held at least fourteen (14) days after the date on which the summons for proceeding are delivered to the Parties.
- (3) When, at the first proceeding, the Petitioner, without any valid reason, does not appear, while the Petitioner has been properly summoned, the Sole Arbitrator/ Arbitral Tribunal states that the Petition for Arbitration is disqualified, and the duties of the Sole Arbitrator/ Arbitral Tribunal is, therefore, completed. When a petition for Arbitration is filed by the Petitioners, the absence of one of the Petitioners also results in disqualification of the Petition for Arbitration.
- (4) When, at the first proceeding, the Respondent or one of the Respondents (if the claim is made against more than one (1) Respondent), without any valid reason, does not appear, while the Respondent has been properly summoned, the Sole Arbitrator/ Arbitral Tribunal shall postpone the proceeding and re-summon for proceeding any absent Respondent. The next proceeding shall be held not later than ten (10) days after the postponement of such proceeding.
- (5) When the Respondent or one of the Respondents does not appear at the next proceeding, without any valid reason, while the Respondent has been properly summoned, the examination shall proceed.
- (6) The absence of the Respondent on summons for proceeding, as referred to in paragraph (1) and paragraph (4), may be considered by the Sole Arbitrator/ Arbitral Tribunal that the Respondent has waived his/her right to file a Response. In such case, the Petitioner's claim may be sustained in its entirety, unless the claim is unreasonable or unlawful.
- (7) To ensure that the Respondent has been properly summoned, while the delivery of summons to the Respondent's address is always returned, summons to the Respondent may be made through newspaper at the expense of the Petitioner.
- (8) Summons to subsequent proceedings shall be determined by the Sole Arbitrator/ Arbitral Tribunal at the proceeding, or through summons for proceeding to be delivered by the Secretary.

Article 27
Settlement Efforts

- (1) In the event that the Parties appear on a pre-determined day, the Sole Arbitrator/ Arbitral Tribunal shall first seek settlement between the Parties.
- (2) When the Parties agree to seek settlement efforts in advance, the Sole Arbitrator/ Arbitral Tribunal may delay the Arbitration proceeding to give an opportunity to the Parties to seek settlement as per the choice of settlement agreed by the Parties (direct negotiation or mediation). The Parties shall re-appear to the Sole Arbitrator/ Arbitral Tribunal at the pre-determined proceeding to report the results of such settlement efforts.
- (3) In the event that the settlement efforts reach a Settlement Agreement, the Sole Arbitrator/ Arbitral Tribunal shall draw up a Deed of Settlement, which is final and binding on the Parties, and impose the Parties to comply with the provisions of the settlement.
- (4) When the Parties do not require confirming the Settlement Agreement in a Deed of Settlement, the Settlement Agreement must contain a clause to waive any claims and or a clause stating the case is completed.
- (5) The Arbitration Proceeding shall be resumed when the settlement efforts are not successful.
- (6) At every stage of examination, the Sole Arbitrator/ Arbitral Tribunal shall seek settlement between the Parties, and the Parties shall still be entitled to propose settlement, until such time before the Arbitration Award pronouncement.

Article 28
Revocation and Amendment to Petition for Arbitration

- (1) With regard to Revocation of Petition for Arbitration:
 - (a) before any Response, the Petitioner may revoke such Petition for Arbitration;
 - (b) when a Response has been delivered, the revocation of Petition for Arbitration can only be made with the consent of the Respondent and is decided by the Sole Arbitrator/ Arbitral Tribunal in a proceeding.
- (2) Regarding any amendment to Petition for Arbitration:
 - (a) before any response, the Petitioner may amend or add to the contents of Petition for Arbitration;
 - (b) when a Response has been delivered, any amendment or addition to Petition for Arbitration can only be made with the consent of the Respondent, and to the extent of all amendments or additions thereto regarding factual matters only and not relating to any legal bases on which the Petition for Arbitration is made.

Article 29
Written Submission

- (1) A Response submitted by the Respondent to the Sole Arbitrator/ Arbitral Tribunal shall be in a sufficient number of copies for examination purposes.
- (2) When the Respondent files a Response with respect to an exception of BAPMI's absolute competency, the exception cannot be submitted separately from the Response with respect to the principal case.
- (3) To the Response, the Petitioner is entitled to respond (the "**Reply**"), and to the Reply, the Respondent also has the right to respond (the "**Rejoinder**"), each within such time specified by the Sole Arbitrator/ Arbitral Tribunal and in a sufficient number of copies for examination purposes.
- (4) Correction to written submission documents:
 - (a) The Respondent can revise, amend or add to the Response within a maximum period of three (3) days after the Response is submitted by the Respondent;
 - (b) The Petitioner can revise, amend or add to the Reply within a maximum period of three (3) days after the Reply is submitted by the Petitioner;
 - (c) The Respondent can revise, amend or add to the Rejoinder within a maximum period of three (3) days after the Rejoinder is submitted by the Respondent.
- (5) The Sole Arbitrator/ Arbitral Tribunal is authorized to determine whether the delivery and receipt of such written submission documents is made at the proceeding or by correspondence only through the Secretary.
- (6) The Arbitral Tribunal/ Sole Arbitrator is authorized, upon request of either Party, to extend the term of delivery of Response, Reply and Rejoinder for any valid reasons, provided that the extension of the term shall be no longer than the previous term.

Article 30
Counterclaim and Intervention

- (1) Regarding Counterclaim:
 - (a) When the Respondent intends to file a Counterclaim against the Petitioner, the Counterclaim must be submitted simultaneously with the Response.
 - (b) To the Counterclaim, the Petitioner (as the Respondent in Counterclaim) reserves the right to respond and state it in the Reply.
 - (c) The Counterclaim is examined and decided by the Sole Arbitrator/ Arbitral Tribunal together with the Original Claim.

- (d) Upon such Counterclaim, separate Arbitration fees will be charged, apart from the examination costs of Arbitration in the Original Claim.
 - (e) When the costs for Counterclaim examination are not paid by the Petitioner in Counterclaim and/or the Respondent in Counterclaim, it does not hinder or suspend the continuation of the Original Claim examination, provided that the costs for such Original Claim examination have been paid by the Petitioner in Original Claim and/or the Respondent in Original Claim.
- (2) Regarding Intervention:
- (a) A third party can participate and join in the process of dispute settlement (the "Intervient") through BAPMI's Arbitration, in the event of any relevant interests thereto.
 - (b) Participation of the Intervient must obtain the consent of the Parties and the Sole Arbitrator/ Arbitral Tribunal.
 - (c) The Intervient is obliged to pay any costs specified by the Management from time to time in connection with the participation.
 - (d) Other rules and procedures in connection with the Intervention shall be with reference to the civil procedural law.

Article 31 Verification

- (1) Either Party claiming to have a right, or postulating an event to confirm the right, or disproving an argument and/or any right of the other Party, shall prove the existence of such right or event he/she postulates.
- (2) Evidence includes written evidence (including in electronic form), witness evidence, conjecture, confession and oath.
- (3) The Parties are given equal and fair opportunities to present evidence, which is deemed necessary to confirm their arguments, together with a deed of evidence containing a list of evidence and descriptions regarding reasons for submission of an evidentiary document.
- (4) The Petitioner shall submit a copy of duly stamped written evidence as an attachment to the Petition for Arbitration, or at least simultaneously with submission of the Reply.
- (5) The Respondent shall submit a copy of duly stamped written evidence as an attachment to the Response, or at least simultaneously with submission of the Rejoinder.
- (6) The submitted copies of duly stamped written evidence are then cross-checked with the original documents.

- (7) The Sole Arbitrator/ Arbitral Tribunal is authorized to determine whether the cross-check of evidence is held in a proceeding or sufficiently made in an examination by the Secretary together with the Parties.
- (8) The Sole Arbitrator/ Arbitral Tribunal is authorized to determine whether the evidence is acceptable, relevant, related to the matter at hand and has the quality of being valid and rigorous (*bewijskracht*), including evidence in sound recordings, audio-visual recordings and/or electronic data.
- (9) The Deed of evidence shall be submitted in a sufficient number of copies for examination purposes, while only one (1) copy of duly stamped written evidence is sufficiently submitted to the Secretary, unless the Sole Arbitrator/ Arbitral Tribunal decides otherwise.
- (10) After cross-checking the evidence, the opponent Party may request at the proceeding or by a written request to the Sole Arbitrator/ Arbitral Tribunal through the Secretary, with a copy to the other party, to be given an opportunity to re-check such copies of written evidence and copying the same.

Article 32 Witness Testimony

- (1) Upon request of the Sole Arbitrator/ Arbitral Tribunal, or upon request of the Parties to the Sole Arbitrator/ Arbitral Tribunal, any persons may be requested to give witness testimonies (fact witnesses and/or experts) in the examination of Arbitration.
- (2) The Sole Arbitrator/ Arbitral Tribunal is authorized to determine whether a fact witness testimony can be given in written or oral form. When a fact witness gives his/her testimony in writing, the oral testimony must still be heard before the proceeding.
- (3) Expert testimony is given in writing to the Sole Arbitrator/ Arbitral Tribunal at the proceeding or by the Secretary, and subsequently the written testimony is given to the Parties as well. In this case, the opposing party may respond in writing within a maximum period of seven (7) days after receiving a copy of the expert testimony.
- (4) In the event of any unclear expert testimony, the expert providing such testimony can be presented at the proceeding on the order of the Sole Arbitrator/ Arbitral Tribunal, or upon request of the Parties to the Sole Arbitrator/ Arbitral Tribunal.
- (5) If a witness (fact witness and/or expert) is presented at the proceeding, the witness shall take an oath before giving his/her testimony.
- (6) Each Party may raise questions and/or comments on testimony given by a witness (fact witness and/or expert) at the proceeding.

- (7) In the event of any differences in witness testimony (fact witness and/or expert) between the written testimony and the oral testimony at the proceeding, oral testimony at the proceeding shall prevail.
- (8) The Petitioner shall first be given an opportunity to present witnesses (fact witnesses and/or experts), unless otherwise provided by the Sole Arbitrator/ Arbitral Tribunal without any objection from the Respondent.
- (9) The costs of summoning witnesses (fact witnesses and/or experts) shall be on the account of the Petitioner.
- (10) The Management is prohibited from being witnesses (fact witnesses and/or experts) in examination of BAPMI's Arbitration.
- (11) The Sole Arbitrator/ Arbitral Tribunal is not obliged to follow the expert opinion when such opinion is in conflict with or contrary to his/her opinion.
- (12) Other rules and procedures in connection with the examination of witnesses (fact witnesses and/or experts) shall be applied under the provisions of civil procedural law.

Article 33

Conclusion and Closing of Examination Proceeding

- (1) The Parties are given an opportunity to explain in writing regarding their respective final conclusions (the "**Conclusion**") on such time as stipulated by the Sole Arbitrator/ Arbitral Tribunal.
- (2) The conclusion of each Party shall only be given to the Sole Arbitrator/ Arbitral Tribunal, and the Secretary shall not submit it to the opposing Party.
- (3) Before the delivery schedule of said Conclusion, as referred to in paragraph (1), is stipulated, the Parties are still given an opportunity to present evidence and/or any additional particulars, if any. In such case, evidence cross-checking should be made and the opposing Party is entitled to be given an opportunity to express counter-evidence, if any.
- (4) After the Parties submit their respective Conclusions, the Sole Arbitrator/ Arbitral Tribunal shall declare that the proceeding is closed and determine the proceeding date to pronounce the Arbitration Award.
- (5) The declaration of examination closing, as referred to in paragraph (4), can be made by the Sole Arbitrator/ Arbitral Tribunal at the proceeding or by letter delivered by the Secretary to the Parties.
- (6) Whenever deemed necessary, the Sole Arbitrator/ Arbitral Tribunal may reopen the examination, provided that the examination period has not expired.

**CHAPTER VI
ARBITRATION AWARD**

**Article 34
Legal Considerations**

- (1) The Sole Arbitrator/ Arbitral Tribunal shall pass the award under the provisions of the law, or on a justice and fairness (*ex aequo et bono*) basis.
- (2) In the event the Arbitrator is authorized by the Parties to pass an award on a justice and fairness basis, the prevailing laws and regulations can be waived. However, in certain cases, the mandatory rules (*dwingende regels*) should be applied and cannot be waived by the Arbitrator.
- (3) When the Arbitrator is not authorized by the Parties to pass an award on a justice and fairness basis, the Arbitrator can only pass an award based on the rules of substantive law as what judges do.
- (4) The authorization, as referred to in paragraph (2), shall be sufficiently proved by the request of the Parties in the Petition for Arbitration, written submission documents or Conclusion stating "we request for award in justice and fairness".
- (5) In applying the law, the Sole Arbitrator/ Arbitral Tribunal must be based on the governing law and take also into account the provisions of agreements and practices and prevalence that are relevant to business activities or transactions in respect of the matter at hand.

**Article 35
Drafting of Arbitration Award**

- (1) In the Arbitral Tribunal, the Chairman of Tribunal is in charge of drafting an Arbitration Award. The Tribunal Members will further express their respective legal considerations to the Chairman of Arbitral Tribunal to be incorporated with the Chairman's legal considerations in a draft award.
- (2) Although differences of opinion among the Arbitrators in the Arbitral Tribunal are allowed, a decision made in an Arbitral Tribunal consultative meeting shall be a collective decision, in which case the Arbitral Tribunal's decision shall be made based on deliberation for consensus.
- (3) If no consensus is reached among the Arbitral Tribunal, the decision shall be made on the basis of a majority vote.
- (4) An Arbitration Award shall be signed by the Sole Arbitrator or the Arbitrators of Arbitral Tribunal.
- (5) When, in an Arbitral Tribunal, an Arbitration Award is not signed by one (1) Arbitrator by reason of illness or death or for any reason whatsoever, it does not affect the

enforceability of relevant Arbitration Award. Any reasons for the absence of signature, as referred to in this paragraph, shall be included in the Arbitration Award.

- (6) An Arbitration Award includes:
- (a) opening words of the award, which read "FOR THE SAKE OF JUSTICE UNDER THE ONE ALMIGHTY GOD";
 - (b) the full names and addresses of the Parties;
 - (c) the full names and addresses of Arbitrators;
 - (d) a brief description of the dispute;
 - (e) conclusions of the Parties;
 - (f) a statement that the Sole Arbitrator/ Arbitral Tribunal has sought settlement between the Parties;
 - (g) considerations and conclusions of the Sole Arbitrator/ Arbitral Tribunal of the whole dispute;
 - (h) opinions of each Arbitrator in the event of any differences of opinion in the Arbitral Tribunal;
 - (i) injunction, including the period on which the Arbitration Award must be executed and liabilities for the Arbitration fees;
 - (j) the place and date of the award;
 - (k) signatures of the Sole Arbitrator/ Arbitral Tribunal;
 - (l) a description of the reasons, as referred to in paragraph (5), if applicable.

Article 36 Preliminary Order

Upon request of either Party, the Sole Arbitrator/ Arbitral Tribunal is authorized to pass a preliminary order, including a provisional decision, which is deemed necessary in connection with the dispute settlement, among others, to stipulate a decision regarding collateral confiscation, to order storage of goods at any third party, or to sell non-durable goods (consumables). The Sole Arbitrator/ Arbitral Tribunal is also authorized to require security for any costs in respect of these actions.

Article 37
Proceeding of Arbitration Award Pronunciation

- (1) A preliminary order is pronounced at the proceeding during the examination period and within the time specified by the Sole Arbitrator/ Arbitral Tribunal.
- (2) The final Arbitration Award shall have been pronounced by the Sole Arbitrator/ Arbitral Tribunal at the proceeding of award pronouncement within a maximum period of 30 (thirty) days after the proceeding is concluded, as referred to in Article 33 paragraph (4).
- (3) When any of the Parties or any Members of the Arbitral Tribunal is not present at a pre-determined proceeding, Arbitration Award pronouncement shall still be made by the Sole Arbitrator/ Chairman of Arbitral Tribunal.
- (4) A copy of the Arbitration Award shall be delivered by the Sole Arbitrator/ Arbitral Tribunal through the Secretary to the Parties within a maximum period of seven (7) days after the pronouncement. When the Parties agree, the delivery of the copy of said Arbitration Award can be made by taking the document at the Secretariat.

Article 38
Correction to Arbitration Award

- (1) Within a maximum period of fourteen (14) days after a copy of the Arbitration Award is received, either Party or the Parties may apply to the Sole Arbitrator/ Arbitral Tribunal for any correction to any administrative errors and/or any addition or reduction to any claim in the Award.
- (2) The meaning of "any correction to any administrative errors", as referred to in paragraph (1), shall be any correction to things like typo errors or errors in the writing of names, addresses of the Parties or the Arbitrators and others, which do not change the substance of the Arbitration Award.
- (3) The meaning of "any addition or reduction to any claim", as referred to in paragraph (1), shall be one of the Parties being allowed to request any correction to the Arbitration Award when it, among others:
 - (a) is sustained something that is not claimed by the opposing Party;
 - (b) does not contain one or more things that are requested to be decided; or
 - (c) contains any binding provisions that are contrary to each other.
- (4) When an Arbitration Award is corrected, at the Sole Arbitrator's/ Arbitral Tribunal's discretion, the Award can be re-pronounced in a proceeding or it is sufficiently communicated to the Parties by correspondence.

Article 39
Registration of Arbitration Award

- (1) Within a maximum period of 30 (thirty) days as of the date on which the Award is pronounced, the original sheet or authentic copy of relevant Arbitration Award shall be submitted and registered by the Sole Arbitrator/ Arbitral Tribunal or the authorized person to the District Court's Clerk. As for BAPMI's Arbitration Award treated as an International Arbitration Award, it must be submitted and registered by the Sole Arbitrator/ Arbitral Tribunal or the authorized person to the Central Jakarta District Court's Clerk for recognition and exequatur.
- (2) Non-compliance with the provisions, as referred to in paragraph (1), shall result in unenforceability of an Arbitration Award.
- (3) Prior to registration of the Award, the Sole Arbitrator/ Arbitral Tribunal or any of their proxies shall make sure that no application for correction to the Arbitration Award is made by any of the Parties.

Article 40
Enforceability of Arbitration Award

- (1) An Arbitration Award shall be final and have permanent legal force and binding on the Parties, and thus cannot be petitioned for appeal, cassation or reconsideration.
- (2) In the event that the Parties do not execute the Arbitration Award voluntarily, the Award shall be executed based on an order of the District Court Chairman at the request of one of the Parties to the dispute.
- (3) 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.
- (4) BAPMI shall, within a maximum period of seven (7) days after receiving a copy of the letter, as referred to in paragraph (3), submit a written warning to the defaulting Party, with a copy to the other Party.
- (5) 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 paragraph (4), 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.
- (6) 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 paragraph (4), 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.

Article 41
Expiration of Arbitrator Service

- (1) The Arbitrator's duties expire because:
 - (a) an award in respect of a dispute has been pronounced and Arbitration Award is registered with the District Court (if registration is required);
 - (b) a predetermined period of time has lapsed;
 - (c) a period of time agreed by the Parties to be extended has lapsed;
 - (d) he/she is substituted for any reasons or grounds as set out in these Rules and Procedures.
- (2) The death of either Party shall not lead to expiration of duties given to the Arbitrator.

CHAPTER VII
FEES OF ARBITRATION SERVICES

Article 42
Types of Fees

- (1) Fees of Arbitration services consist of:
 - (a) Registration Fee;
 - (b) Examination Fee;
 - (c) Arbitrator Fee;
 - (d) Costs of Arbitration Award Enforceability.
- (2) In the event of any tax calculation, the fees, as referred to in paragraph (1) in conjunction with Article 43, Article 44 and Article 45 and Annex I, shall be the net amount that should be received by BAPMI.
- (3) The Management may suspend and/or terminate the Arbitration process until the fees and costs, as referred to in paragraph (1), are paid by the Parties pursuant to these Rules and Procedures.
- (4) The Co-respondent shall not be subject to any fees and costs of Arbitration, as referred to in paragraph (1).

Article 43
Registration Fee

- (1) The Parties are subject to a Registration Fee of Petition for Arbitration at an amount as set out in Annex I.
- (2) The Registration Fee shall be paid by the Petitioner at the registration of the Petition for Arbitration.

Article 44
Examination Fee

- (1) Examination Fee refers to any costs required to conduct examination in respect of BAPMI's Arbitration, including:
 - (a) rent of the courtroom;
 - (b) document copying and mailing by the Secretary;
 - (c) consumption of the proceeding;
 - (d) accommodation and transport of the Arbitrators coming from outside the city;
 - (e) accommodation and transport of the Arbitrators and the secretary if the examination/proceeding is held outside the city;
 - (f) presenting witnesses and/or expert witnesses;
 - (g) other relevant costs as agreed upon by the Parties.
- (2) The amount of such costs, as referred to in paragraph (1), in addition to sub-paragraph (g), shall be determined by the Management from time to time.
- (3) The Examination Fee shall be on the account of the Parties on an "at cost" basis.
- (4) For the purposes of anticipation of any costs of examination, the Parties shall deposit to BAPMI on a pro-rata basis an amount as set out in Annex I before the first proceeding is held.
- (5) When the amount of the deposit has been reduced by more than 50% (fifty percent), the Parties must replenish the deposit until it reaches the initial amount of the deposit.
- (6) When all costs of the Examination Fee are smaller than the deposit paid, the remaining amount of such deposit shall be refunded to the Parties, not later than fourteen (14) days after registration of the Arbitration Award with the District Court.

- (7) The Secretariat shall prepare a report on the use of the deposit to the Sole Arbitrator/ Arbitral Tribunal and the Parties, with sufficient receipts of expenditures.

Article 45 Arbitrator Fee

- (1) Arbitrator Fee shall be fully paid in advance by the Parties in a pro rata basis before the first proceeding is held.
- (2) When the Respondent is not willing to pay the Arbitrator Fee, the Petitioner must pay it in advance in order to get the Arbitration process initiated.
- (3) The amount of Arbitrator Fee shall be calculated based on the value of dispute with the scale of rate or minimum fees, as set out in Annex I, whichever is greater.
- (4) When the value of dispute is not expressly stated by the Parties or it is not a claim for monetary payment, the value of dispute shall be set based on the Management's consideration having regard to the complexity of the case interpretation.
- (5) At the end, to which Party the Arbitrator Fee will be charged is decided at the Arbitration Award, with the following provisions:
 - (a) the Arbitrator Fee shall entirely be on the account of the Respondent when the Petitioner's claim is sustained in its entirety;
 - (b) the Arbitrator Fee shall be on the account of the Parties to be divided between them in a proportion deemed fair according to the Sole Arbitrator/ Arbitral Tribunal when the Petitioner's claim is sustained in part;
 - (c) the Arbitrator Fee shall entirely be on the account of the Petitioner when the Respondent's claim is overruled or rejected in its entirety.
- (6) When the Petitioner has made payment for the Arbitrator Fee, as referred to in paragraph (2), and the Arbitration Award sustains the Petitioner's claim in its entirety or in part, the injunction of said Arbitration Award shall also contain provisions on reimbursement by the Respondent to the Petitioner along with any penalties and interests, when necessary.
- (7) In the event of revocation of the Petition for Arbitration, then:
 - (a) when the revocation is done before any Response, the Arbitrator Fee shall be refunded to the Parties with a penalty of 25% (twenty five percent) of the Arbitrator Fee;
 - (b) when the revocation is done after any Response and before entering the verification procedure, the Arbitrator Fee shall be refunded to the Parties by 50% (fifty percent) of the Arbitrator Fee;

- (c) when the revocation is done while the examination is already at the verification stage and/or thereafter, the Arbitrator Fee shall not be refunded entirely to the Parties.
- (8) In the event that the Sole Arbitrator/ Arbitral Tribunal rules on a preliminary order with an injunction stating that the Petition for Arbitration is not acceptable, the Arbitrator Fee shall be refunded to the Parties by seventy five percent (75%) of the amount already paid.

Article 46
Cost of Award Enforceability

- (1) Costs of Award enforceability include:
- (a) registration fee of the Arbitration Award with the District Court;
 - (b) cost of taking a copy of the Arbitration Award, which has been registered with the District Court;
 - (c) cost of duplication and delivery of a copy of the Arbitration Award, which has been registered with the Parties;
 - (d) cost of petition for execution; and
 - (e) cost of execution.
- (2) The Party that bears the registration fee of Arbitration Award and the cost of taking a copy of Arbitration Award, which has been registered with the District Court, shall be:
- (a) the Petitioner, when the Petition for Arbitration is sustained in part or in its entirety;
 - (b) the Respondent, when the Petition for Arbitration is overruled or rejected.
- (3) The cost of duplication and delivery of a copy of Arbitration Award, which has been registered with the Parties, shall be on the account of each Party.
- (4) The cost of petition for execution and the cost of execution shall be on the account of the Petitioner when the Petition for Arbitration is sustained in part or in its entirety.

CHAPTER VIII
CLOSING PROVISIONS

Article 47
Closing Provisions

- (1) None of the Management, Arbitrators, Secretary and/or other BAPMI's 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 Arbitration Award.

- (2) Any of the Parties may not make any claims against BAPMI (including any of the Management, Arbitrators, Secretary and other BAPMI's 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 Management, Arbitrators, Secretary and other BAPMI's 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) Any Arbitrator who, at the time of entry into force of these Rules and Procedures, has been appointed as BAPMI's Permanent Arbitrator/ Mediator but do not have a Certificate of Arbitrator, shall be given an opportunity for a maximum of thirty six (36) months to:
 - (a) obtain a certificate of professional expertise in Arbitration issued by an Arbitration institution or an Arbitration training institution; or
 - (b) attend all discussions, workshops and seminars organized by BAPMI intended as training to improve skills of BAPMI's Permanent Arbitrators/ Mediators in Arbitration proceedings.

When the relevant Arbitrator does not meet this requirement, the Management shall revoke his/her status as BAPMI's Permanent Arbitrator. As long as the status is not revoked, the relevant Arbitrator may be appointed by the Parties and or the Management to be a case Arbitrator in BAPMI.

- (5) 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.

- (6) With these Rules and Procedures coming into force, all provisions of BAPMI's Decrees regulating BAPMI's Arbitration shall be declared null and void, as set out in:
- (a) BAPMI's Decree Number KEP-02/BAPMI/11.2009 on Rules and Procedures of BAPMI, dated 30th November 2009, as amended most recently by BAPMI's Decree Number KEP-08/BAPMI/11.2011, dated 21st November 2011;
 - (b) BAPMI's Decree Number KEP-01/BAPMI/07.2005 on Costs and Fees for Settlement of Disputes or Differences of Opinion in BAPMI, dated 21st July 2005, as amended most recently by BAPMI's Decree Number KEP-07/BAPMI/11.2011, dated 21st November 2011;
 - (c) BAPMI's Decree Number KEP-03/BAPMI/11.2002 regarding BAPMI's Rules on BAPMI's Arbitrators, dated 19th November 2002, as amended most recently by BAPMI's Decree Number KEP-05/BAPMI/09.2011, dated 2nd September 2011;
- and
- (d) BAPMI's Decree Number KEP-05 BAPMI/BAPMI/12.2002 concerning Guidelines for Conflict of Interest and Affiliates for BAPMI's Arbitrators and Mediators, dated 20th December 2002.
- (7) The Code of Conduct ratified by BAPMI's General Meeting of Members shall remain valid until an amendment/ revocation by BAPMI's General Meeting of Members.
- (8) 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 ARBITRATION SERVICES**

(1) Registration Fee of Petition for Arbitration shall be IDR 2,000,000 (two million Indonesian Rupiahs).

(2) The scale of rate of Arbitrator fee shall be as follows:

<u>Nilai Sengketa</u>	<u>Prosentase Biaya</u>
(a) sampai dengan Rp. 1 milyar	: 6,50 % nilai sengketa
(b) sampai dengan Rp. 2,5 milyar	: 3,60 % nilai sengketa
(c) sampai dengan Rp. 5 milyar	: 2,82 % nilai sengketa
(d) sampai dengan Rp. 10 milyar	: 1,80 % nilai sengketa
(e) sampai dengan Rp. 20 milyar	: 1,32 % nilai sengketa
(f) sampai dengan Rp. 35 milyar	: 0,84 % nilai sengketa
(g) sampai dengan Rp. 50 milyar	: 0,54 % nilai sengketa
(h) sampai dengan Rp. 75 milyar	: 0,45 % nilai sengketa
(i) sampai dengan Rp. 100 milyar	: 0,38 % nilai sengketa
(j) sampai dengan Rp. 250 milyar	: 0,30 % nilai sengketa
(k) sampai dengan Rp. 500 milyar	: 0,21 % nilai sengketa
(l) lebih besar dari Rp. 500 milyar	: 0,18 % nilai sengketa

(3) The calculation using the scale of rate, as set out above, shall be done in stages by first calculating the Arbitrator Fee by a percentage in the range of the value of previous dispute, with the calculation as illustrated below:

Dispute value = IDR 1,500,000,000.

Arbitration Fee Calculation = (1,000,000,000 X 6.50%) + (500,000,000 x 3.60%).

(4) The Minimum Fee of Arbitrator shall be IDR 30,000,000 (thirty million Indonesian Rupiahs).

(5) The Arbitrator Fee contains two (2) components of fee:

(a) institutional fee of BAPMI, at 40%; and

(b) honorarium of Sole Arbitrator/ Arbitral Tribunal, at 60%.

- (6) The Parties shall deposit to BAPMI for anticipating any examination Costs, respectively at IDR 5,000,000 (five million Indonesian Rupiahs).

ANNEX II
REQUIREMENTS OF BAPMI'S PERMANENT ARBITRATOR

BAPMI's Permanent Arbitrator 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, and serve as military;
- (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 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 Arbitrator in any arbitration institutions, 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. An Arbitrator is prohibited from handling a case in BAPMI's Arbitration (hereinafter referred to as the **"Case"**) as an Arbitrator of the Case when he/she meets one (1) or more of the following conditions:
 - a. the Arbitrator is a Party to the Case;
 - b. the Arbitrator has been involved previously in the Case;
 - c. the Arbitrator have provided any of the consultancy/ advisory/ expert opinion services to one of the Parties/ its affiliate of the Case;
 - d. the Arbitrator is being a consultant/ advisor/ expert of either Party;
 - e. the Arbitrator 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 Arbitrator 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 Arbitrator has a family relationship with one of the Parties;
 - h. the Arbitrator has any financial interests in one of the Parties;

- i. the Arbitrator has any interests in the Arbitration Award that will be passed or the Settlement Agreement that may be achieved;
 - j. the Arbitrator/ his office periodically provides any of the consultancy/ advisory/ expert opinion services to one of the Parties/ its affiliate, and the Arbitrator/ his office get financial fees for the delivery of such services;
 - k. the Arbitrator'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 Arbitrator.
 - l. the Arbitrator 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. Arbitrator has family relationship with any attorney of one of the Parties;
 - n. the Arbitrator 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;
3. In case the Arbitrator meets one (1) or more of the following conditions, he/she can be appointed as an Arbitrator 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 Arbitrator/ 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 Arbitrator/ his office has represented one of the Parties/ its affiliate;
 - c. the Arbitrator/ his office is representing one of the Parties/ its affiliate in another dispute, but it is not related to the Case;
 - d. the Arbitrator/ his office periodically provides any of the consultancy/ advisory/ expert opinion services to one of the Parties/ its affiliate, and the Arbitrator/ his office get financial fees for the delivery of such services;
 - e. the Arbitrator'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 Arbitrator has a family relationship with a manager, director, or any member of board of commissioners or with anyone having a power to influence one of the Parties;
 - g. the Arbitrator/ his/her close family has a family relationship with any third party having a claim to debt to one of the parties;

- h. the Arbitrator's family has any financial interests in the Arbitration Award that will be passed;
 - i. the Arbitrator's family has any financial interests in one of the Parties/ its affiliate;
 - j. the Arbitrator 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 Arbitrator'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 Arbitrator;
 - l. one of the Arbitrator'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;
4. In case the Arbitrator meets one (1) or more of the following conditions, he/she can be appointed as an Arbitrator 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 Arbitrator 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 Arbitrator 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 Arbitrator 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 Arbitrator/ 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 Arbitrator;
 - e. within a period of three (3) recent years, the Arbitrator/ 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 Arbitrator;
 - f. within a period of three (3) recent years, the Arbitrator 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 Arbitrator;

- g. an office sharing revenue with the Arbitrator'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 Arbitrator and any attorney of either Party are members of the same professional and or hobby association/ organization;
 - i. within three (3) recent years, the Arbitrator 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 Arbitrator;
 - j. within three (3) recent years, one of the associates in the Arbitrator'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 Arbitrator 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 Arbitrator 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 Arbitrator 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.
5. In the event of any objection from any of the parties on appointment of any Case Arbitrators by reason of violation of 1 (one) or more provisions set forth in the Guidelines for Conflict of Interest, it shall be filed and resolved according to Article 15 of Rules and Procedures of Arbitration.