

Compliance Manual

PT J.P. Morgan Sekuritas Indonesia

Current Effective Date: 10 October 2018

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Workforce Members' (i.e., employees and contingent workers) personal trading and investment activities must always be conducted with the Firm's reputation in mind and in compliance with the Personal Account Dealing Policy - Firmwide, the Firm's Code of Conduct and any additional personal trading requirements that are applicable to their specific Line of Business (LOB), country, region, or local jurisdiction. 23

Please note Personal Account Dealing breaches are subject to review by the Firm. Policy violation notices will be issued to subject Workforce Members for non-compliance with the Policy. Violation notices may result in disciplinary action (subject to local laws and regulations) up to and including termination from the Firm. 23

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1. Summary or Rationale

The Compliance Manual for PT J.P. Morgan Sekuritas Indonesia (JPMSI) sets out the minimum compliance standards expected of all Indonesia employees. The Manual is not an exhaustive statement on all compliance matters and any employee who requires additional information should contact their Supervisor or Compliance for guidance. The Manual contains references, where appropriate, to:

- JPMorgan Chase & Co Compliance policies and procedures; and
- Relevant regulatory requirements.

Failure to comply with the standards set out in this Manual will be viewed seriously by the Firm, and may result in the person concerned being the subject of internal disciplinary action up to and including dismissal.

2. Scope

Lines of Business	Corporate and Investment Bank (CIB)
Sub-Lines of Business	Equities Brokerage, IBC/ECM, Research
Function(s)	All
Locations	Indonesia
Legal Entities	PT J.P. Morgan Sekuritas Indonesia

This version of the Manual covers JPMSI only.

3. Changes from Previous Version

To be added. The core Firmwide sections 5 have been updated and expanded.

4. Introduction to Compliance

4.1. Culture of Compliance

At JPMorgan Chase & Co (JPMC, the Company or the Firm), our strong reputation is our most fundamental business asset and it must be protected and preserved by each of us through our actions every day. Acting with integrity is the right thing to do for our customers, our shareholders, the industry and the larger community.

The core concept behind our Code of Conduct (Code) is that no one at JPMC should ever sacrifice their integrity, whether for personal gain or for a perceived benefit to the Company's business. Harm to our reputation affects the entire Company and is enduring. Any perceived ethical transgression, no matter how isolated or minor, can damage our Company.

Be accountable for your actions and for knowing and abiding by the policies that apply to you. If you are a manager, help your employees through both your words and your actions to understand and comply with the Code and other relevant policies.

Ultimately, we rely on your sense of personal integrity to protect and enhance the reputation of JPMC. Never underestimate the importance of your own ethical conduct to the Company's success.

4.1.1. The Compliance Function

The following links will assist you to navigate our Compliance function in Asia Pacific.

[Asia Compliance Introduction](#)

[Asia Compliance Executive Team](#)

[Asia Compliance "Who to Call" List](#)

4.1.2. Compliance Training

Compliance training is critical to ensure that all employees (and contingent workers where relevant) are informed of their legal and regulatory compliance obligations. Each year you are required to complete mandatory Compliance training on a variety of topics such as:

- Anti-Corruption
- Anti-Money Laundering & Sanctions
- Code of Conduct
- Privacy

You are also required to complete additional Compliance training that is specific to your line of business, region or job function. You will be enrolled in Compliance training throughout the year and you must ensure that both you and those you supervise attend and complete assigned training in a timely manner.

All Compliance training must be recorded in the Firm's Learning Management System (currently Training Central).

4.2. Dealing with Regulators

JPMC has to maintain open and transparent communication with its regulators, while ensuring that all information provided to regulators is accurate, complete, clear and delivered in a timely and controlled manner.

Compliance is normally the face to the regulators, however, this may differ from country to country so follow your business or location procedures for handling routine information requests from regulatory or governmental agencies, such as those related to routine regulatory filings, or questions of a solely operational nature.

All non-routine communications with regulatory authorities must be coordinated through Compliance. If you receive a query or request for information from a regulator whether in Hong Kong or overseas, you must forward it to Compliance immediately. Should you receive a telephone enquiry from someone who identifies themselves as a regulator, obtain their name, department, telephone number and nature of request. You should not respond to inquiries from regulators or contact any regulator on your own before contacting Compliance.

4.3. Engagement of Outside Legal Counsel and Legal Proceedings

Outside counsel must not be retained without the prior approval of the Legal Department and related completion of any relevant prerequisites, under both the [Outside Counsel Manual](#) and/or any other relevant policies. All court processes and notices of legal proceedings must be referred immediately to the Legal Department.

No records or information may be passed to any outside authority or law enforcement agency without the approval of the Legal Department.

4.4. Sworn Documents

JPMC is committed to the highest standards in executing sworn documents filed with or submitted to courts, governmental agencies and self-regulatory bodies, and other signed documents filed with courts. Representations and other statements in such documents executed by JPMC officers, employees and agents working on behalf of JPMC, must be truthful and accurate.

These documents often form the basis for JPMC's ability to exercise important rights and comply with its legal responsibilities. It is essential that each person who signs such documents understands that his or her signature is JPMC's promise that the contents of the document are truthful and accurate, and that the document has been executed properly.

The [Sworn Documents Policy](#) applies to the preparation and execution of all sworn and other signed documents that are filed or submitted in the U.S. It can be used as guidance when such documents are filed or submitted in other jurisdictions.

5. Core Compliance - Firmwide

5.1. Code of Conduct

The [Code of Conduct](#) applies to all employees globally. The Code is a collection of rules and policy statements intended to assist employees and directors in making decisions about their conduct in relation to the Firm's business. It sets out the minimum standards of conduct expected of all JPMC staff.

Compliance with the Code and with other policies and procedures applicable to you is a term and condition of employment and you must continue to follow them even after you leave, regardless of the reason for your departure. Each year you must complete training and affirm your understanding of the Code.

Violations of any laws that relate to the operation of our business, the Code, or other applicable policies and procedures, or failure to cooperate as directed by the Firm with an internal or external investigation, may result in corrective action, up to and including immediate termination of employment.

It is also your obligation to promptly report any known or suspected violation of these rules to your Supervisor, Compliance Officer contact and Internal Audit. You may report your concerns anonymously, if you wish through the Code Reporting Hotline [How to report a violation](#).

5.2. Appropriate Use of JPMC Assets

JPMC's assets include information, relationships, rights, products and services, as well as physical assets. All other property created, obtained or compiled by or on behalf JPMC including client lists, directories, files, reference material and reports, computer software, data processing systems, computer programs and databases, also belongs to the Firm.

JPMC's assets are its exclusive property and should only be used for JPMC's business, except where personal use is authorised.

You must not, for instance:

- Disclose JPMC proprietary information to any competitors or others;
- Use JPMC proprietary information, such as JPMC client lists or employee lists, for future employers;
- Use JPMC proprietary information to develop competing products or businesses.

You have no rights to use JPMC proprietary information outside your employment with JPMC.

When you leave the employ of JPMC, you must turn over all assets of the Firm that are in your possession or control, such as all confidential or proprietary information related to the Firm's business, clients or suppliers, whether maintained electronically or otherwise.

Relevant policies and guidance:

[Code of Conduct - Section 3](#)

[Intellectual Property Policy](#)

5.3. Reputation Risk

JPMC's reputation is critical to the Firm's success. Reputation Risk is the risk that an action, situation, transaction or investment will reduce trust in JPMC's integrity or competence by clients, shareholders, employees or the broader public.

It is the responsibility of each LOB, business unit, business manager and individual employee within each LOB and Function to consider the reputation of the Firm, and not just business benefits and regulatory requirements, in deciding whether to pursue any new product, transaction, client relationship, jurisdiction, business process or any other matter

The Reputation Risk Committees (RRC) including the Asia RRC are a key component of the Firm's reputation risk management framework. They are responsible for the review of imminent, existing or prospective transactions, activities and client relationships of or undertaken by the Firm as agent or principal, which, in the opinion of the relevant business head, have the potential for reputation risk.

Relevant policies and guidance:

[Firmwide Reputation Risk Governance](#)

5.4. Environmental and Social Responsibility

JPMC has implemented a process to identify and assess significant environmental and social (E&S) risk issues associated with transactions in certain geographies or sectors. This process is embedded in the Firm's Conflict procedures. It is the responsibility of relationship bankers and deal teams to identify transactions that may be subject to E&S review.

Relevant policies and guidance:

[Environmental and Social Risk Management](#)

5.5. Escalation

Employees are required to promptly report any known or suspected violations of the Code, any internal Firm policy or any law or regulation related to the Firm's business. Escalation should be to their Supervisor where appropriate and Compliance. Other support groups such as Risk, Legal, and HR may be required as the case may be.

Reporting is required whether the violation involves an employee or someone else subject to the Code. In addition, employees should report any known or suspected illegal conduct, or conduct that violates the underlying principles of the Code, by any of our customers, suppliers, consultants, contract or temporary workers, business partners or agents.

Relevant policies and guidance:

[Code of Conduct - Section 1](#)

[Escalation Guidelines – Asia](#)

[Code Reporting Hotline](#)

5.6. Employee Communication Monitoring

5.6.1. Electronic Communications

Misdirected email messages and attachments can result in significant risk to the Firm and the individuals involved. Remember to exercise a high degree of skill, care and professionalism in both the preparation and distribution of internal and/or external communications.

Emails sent using JPM approved technology are not private and may be monitored.

Before you send, verify:

- The content of all attachments and distribution lists.
- "Internal use only" materials. Never send "internal use only" documents or information to external recipients.
- Confidential Information. Send confidential information only to authorized recipients, including any material marked as "confidential" or "highly confidential". Remember to use "Send Secure" to send secure documents to approved third parties and clients without jeopardizing the safety and security of the information they contain.
- If you intend to reply to all or if you intend to forward an entire email chain.
- You are not sending to staff personal email addresses.
- That your language is professional and may not be misconstrued or taken out of context.

If an error does occur immediately report it to your Supervisor and Compliance Officer to ensure the proper actions are taken to respond in a timely way. If you suspect or become aware of unauthorized access to confidential information, you must promptly report the incident by contacting your LOB Privacy Incident Response Leader. Refer to Privacy Incident Response Managers.

5.6.2. Telephone Conversations

Phone conversations are an official means of Firm communication and are subject to the same policies as written communications. During these conversations, you should always exhibit the same high degree of care, professionalism and integrity that is expected of you in all Firm activities.

Inappropriate communications can expose you and the Firm to regulatory, litigation and reputation risk and negatively impact client relationships. Remember that recorded phone conversations are archived in line with applicable regulatory retention periods and may be reviewed by your Supervisor or internal surveillance, requested by regulators, or discoverable in litigation.

On all phone calls you should:

- be clear, unambiguous and succinct to avoid misinterpretation;
- refrain from using generalizations, exaggerated language, and sarcasm that can be misunderstood or mischaracterized;
- avoid using disparaging, offensive, or otherwise inappropriate language;
- communicate confidential information only to authorized recipients; and
- never take unfair advantage of anyone through manipulation, concealment, misrepresentation, or any other unfair dealing practice.

5.6.3. Communicating Responsibly

If you blog or tweet about financial services, update your LinkedIn profile, speak at a work-related conference, or publish an article in a financial service journal, you are subject to JPMC's policies.

Whether online or in public speaking engagements, be alert to situations in which you may be perceived as someone who is representing or speaking for JPMC. Do not make any statements on

behalf of the Firm unless authorised to do so. Refer all media inquiries to the [Media Relations Office](#).

JPMC prohibits "pre texting" (using fraudulent means) to obtain confidential information such as financial records, telephone or utility bills, government agency records or information obtained from such records.

Relevant policies and guidance:

[Code of Conduct - Section 3](#)

[Social Media Policy](#)

5.7. Gifts and Entertainment

The Firm is committed to doing business based strictly on the value of products and services it offers and purchases, not on gifts or offers it extends or accepts.

The Code provides strict guidance on accepting and giving gifts. Be aware that more restrictive requirements than those outlined in the Code may be applicable to your line of business or location. Please ensure you are aware of and comply with the policies that apply to you.

A "gift" is anything of value for which you don't pay the retail or customary price, including meals, tickets to events, entertainment, services, use of a residence or vacation home, gift certificates, gifts to charities chosen by you, gifts to family members or others close to you, and discounts not available to the general public.

5.7.1. Receiving gifts

The Code generally prohibits the acceptance of gifts from anyone doing (or seeking to do) business with the Firm. There are certain situations where it is permissible to accept a gift, and these are outlined in the Code. Before accepting any gift, consult with your [Code Specialist](#) about whether the gift is in one of the permitted categories.

5.7.2. Giving gifts

Offering gifts to win or keep business or influence a business decision is inappropriate and, in many cases, illegal. Make sure that any gifts you offer are reasonable and customary and conform to the Firm's Code and applicable policies.

Many Lines of Business prohibit or restrict the giving of gifts. Even if your line of business lets you offer certain gifts or entertainment to your customers, you must:

- Observe industry-specific or local regulations.
- Be aware of prohibitions on gifts to governmental officials.
- Conform to applicable travel and entertainment policies.

Client entertainment should always have a sound business purpose and be approved in accordance with the policies applicable to your line of business. Entertainment that holds potential reputation risk, has a high average cost per client, or has a high percentage of internal attendees is discouraged. Entertainment of vendors and suppliers is also discouraged.

Relevant policies and guidance:

[Code of Conduct](#) - Section 3

[Asia Accounts Payable](#)

5.8. Anti-Corruption

Under the JPMC Anti-Corruption Policy you must pre-clear anything of value provided directly or indirectly to a non-US government official. Anything of value is given the broadest interpretation and includes:

- business hospitality (including meals, entertainment, transportation, lodging, training, conferences and roadshows) exceeding US\$100 per person or such lower limit set for a LOB or region;
- gifts exceeding US\$100 per person or such lower limit set for a LOB or region;
- charitable or political contributions;
- honoraria or speaker fees; or
- visa letters.

You must also pre-clear:

- offers of employment (including paid or unpaid internships, work experience and offers of employment) referred by a government official, existing or prospective client; and
- hiring of third party intermediaries.

5.8.1. Who is a non-US government official?

For the purposes of the Anti-Corruption Policy an entity is deemed to be government controlled if the government has 50% or more ownership or has voting or board control. The rank/level of the employee does not matter and it makes no difference if the entity is publicly listed.

If you are asked to confirm your agreement or compliance with another entity's anti-corruption policy please contact your Designated Anti-Corruption Compliance Officer ("DACO") refer to link below. JPMC will not provide such confirmation but can issue a standard assurance letter in relation to its Anti-Corruption Policy as an alternative.

Any questions regarding the JPMC Anti-Corruption Policy should be escalated to your DACO or LOB Compliance contact.

Relevant policies and guidance:

[Anti-Corruption Policy](#)

[PATROL](#) (the Anti-Corruption pre-clearance database)

[How to Respond to Third Party Requests for Anti-Corruption Assurances](#)

[Designated Anti-Corruption Compliance Officers](#)

5.9. Outside Activities

You are required to pre-clear many outside activities, including (but not limited to): second jobs; any affiliation with another business as a director, advisory board member, holder of 5% or more of voting equity interest or similar position; government activities; and certain not-for-profit activities.

Pre-clearance may be required even if you will not be paid or otherwise compensated. You are generally not allowed to work for, or serve as a director or officer or advisor to, a competitor of the Firm. Competitors are very broadly defined to include unrelated financial services companies of any kind and others engaged in any business JPMC is involved in (even if not currently in direct competition with our Company), such as banks, asset managers, depository institutions, credit unions, lenders, investment banks, some insurers and insurance agencies and securities brokers, dealers and underwriters.

You must be proactive and take the necessary steps as defined in the Outside Activity and Second Job Policy (refer to link below) to obtain the required pre-clearance and approvals if you engage in

certain outside activities including second jobs. It's important to ensure these activities do not take precedence over your work at the Firm, reflect adversely on the company or suggest a possible conflict of interest.

Your LOB may have additional policies that are applicable to you. It's important that you understand and comply with these requirements, as well as any requirements of your local jurisdiction.

Relevant policies and guidance:

[Code of Conduct – Section 3](#)

[Outside Activity and Second Job Policy – Firmwide](#)

[PATROL](#)

5.10. Dodd Frank Act Title VII

JPMorgan Chase Bank, N.A. ("JPMCB") and its branches are registered as U.S. Swap Dealers. Anyone who is involved in the solicitation or acceptance of swaps on behalf of JPMCB or who supervises someone engaged in such activities is an Associated Person ("AP") of JPMCB. All APs have been notified of their status and are tracked. APs must ensure compliance with the duties and obligations of a Swap Dealer.

APs are permitted to engage directly with clients on the solicitation, structuring, negotiation, pricing, or execution of swap transactions, including amendments and terminations. They are subject to various specific compliance responsibilities in connection with swap transactions as in the Firm's [Swap Dealer Manual](#), including:

- phone taping;
- pre-trade disclosures under the External Business Conduct;
- fair dealing standards (see the [Swap Fair Dealing Policy](#)) and
- permanent archiving of email, correspondence and other written communications (see the [Record Retention Policy--Swap Dealers](#)).

5.10.1. Statutory Disqualification and Certification Requirements for APs

- A Swap Dealer is prohibited from permitting any AP who is subject to statutory disqualification including felony convictions, commodities or securities law violations and bans or other adverse action taken by a financial regulator from effecting or being involved in effecting swap transactions;
- A Swap Dealer is required to certify, at least annually, that it is, and will remain in compliance with this requirement;
- To obtain the information for this certification, all APs have to complete and submit an Annual Regulatory Questionnaire and Attestation to Compliance to determine whether any APs are subject to statutory disqualification;
- Failure to complete and submit the Questionnaire and Attestation may preclude an AP from being able to engage in any swap activity.

5.10.2. Covered Associates

Certain employees because of their position in the Firm may have to be present even silently, at client meetings or on calls or copied on emails where swap transactions are discussed, albeit these employees do not discuss swap transactions in detail. These employees are designated as Covered Associates ("CA"). These individuals are not subject to the full array of AP compliance requirements given their limited involvement with swap transactions.

However, the CFTC’s “pay-to-play” political contribution restrictions apply to all employees who solicit or may solicit swap business (including through silent participation at a meeting or on a phone call) from (i) U.S. government entities, or (ii) private persons or entities (e.g., asset managers, financial advisors) who act as agent for such government entities, because a government entity may be the counterparty on the swap post-allocation.

The CIB has designated employees meeting the description above as CAs and requires that these employees pre-clear all of their U.S. political contributions. For more information, see the [Political Contributions Policy—Swap Dealers](#). These restrictions generally apply to U.S. political contributions made on or after December 31, 2012 with a maximum “look back” period of up to two years (not including any contributions made prior to December 31, 2012).

Relevant policies and guidance:

[Swap Dealer Associated Person \(“AP”\) and Covered Associate \(“CA”\) FAQs](#)

[Swap Dealer Manual](#)

[Swap Fair Dealing Policy](#)

[Record Retention Policy--Swap Dealers](#)

[Newly Adopted Dodd-Frank Policies](#)

doddfrankinfo.jpmchase.net/

5.11. New Business Initiative Approval

JPMC seeks to ensure that risks associated with “new products” and “new activities” are identified, analysed and understood, that procedures to manage these risks are in place prior to launch and that the needed support infrastructure is established to permit smooth and well-controlled operations.

Product introductions and/or expansions require sound risk and business management practices to minimise loss and avoid reputation damage. Therefore, business managers who are preparing to introduce new products, services, or activities or make a change to one of the aforementioned that causes a risk change are responsible for complying with the requirements of the [New Business Initiative Approval Policy](#).

5.12. Third Party Oversight / Outsourcing

The Firm has adopted policies and procedures to govern the delegation of work to a third party service provider or an affiliate.

Outsourcing means “an arrangement of any form between a Firm and a service provider by which that service provider performs a process, a service or an activity which would otherwise be undertaken by the Firm itself.” Every line of business must implement an oversight program to provide effective and consistent processes for products or services that are outsourced.

Offshoring means the movement of Firm-owned products, processes or infrastructure from one JPMC legal entity or location to another legal entity/location or a Third Party Service Provider. The process governing the movement between the locations or Vendors is known as Third Party Oversight (TPO) and Internal Affiliate Services (IAS). The IAS process is used for moves between sites in two different countries (offshoring), as well as migrations between sites in the same country where different legal entities are involved. The TPO Process is used when functions and services are outsourced to a Third Party Vendor.

There are regulatory and statutory requirements involved in outsourcing or offshoring which may include notification to the supervisory authority. Any requirements to notify will be co-ordinated by Compliance.

Relevant policies and guidance:

[Third-Party Provider Policy](#)

[Third-Party Provider Operating Procedures Manual](#)

[JPMC Third Party Oversight \(TPO\)](#)

[ATC-IAS](#)

5.13. Cross Border Activities

Each jurisdiction has its own laws, rules and regulations which govern the provision of financial services. These laws may outright prohibit the provision of financial services by a non-resident person or require the person to hold a licence in order for them to provide certain financial products. Conducting prohibited activities or activities without the relevant licence can have serious consequences for both you and the Firm (including imprisonment, sanctions, fines etc.).

If you are travelling to another country you have responsibility to check (with Compliance):

- Does the proposed activity constitute “regulated activity”?
 - Regulation applies to the location (besides your home location) where your activity is taking place, irrespective of the location (or domicile) of the client.
- Do I need a temporary licence (if available) to conduct sales / marketing or trading activities?
 - If required, how long does it take to get a licence?
 - What activities are permitted and what is not permitted?
 - What is the validity period of the licence?
 - Are there any tax implications if engaging in cross-border activity?
- If licensing is not available, how will my proposed activities be restricted?
- Do I need to have my sales/marketing activities chaperoned and/or logged?
- Does the business head in your host country know of your impending visit?

If you are hosting a visitor from another country you have responsibility to check:

- Has the visitor arranged the required licences beforehand?

Relevant policies and guidance:

[Cross Border Activities Policy –](#)

[Firmwidehttp://legalweb.legal.chase.com/Legal/ctcrepo.nsf/a024201380fb22d985256a0e006542e8/ce307e75f33a158e85257d6b00816cb4?OpenDocument](http://legalweb.legal.chase.com/Legal/ctcrepo.nsf/a024201380fb22d985256a0e006542e8/ce307e75f33a158e85257d6b00816cb4?OpenDocument)

5.14. Anti Money Laundering and Terrorist Financing

JPMC has established a comprehensive Anti-Money Laundering (AML) and Know Your Customer (KYC) program designed to comply with the laws and regulations of the U.S. and all other countries in which we do business.

As an employee of the Firm, you must understand the Firm’s AML and KYC procedures and demonstrate a sound understanding of the following:

- What is money laundering?
- Your legal obligations with respect to the prevention of money laundering.
- What constitutes “unusual” or “suspicious” activity?
- Your obligation to report unusual or suspicious activities.
- Your line of business’ internal KYC Policies.

5.14.1. Know Your Customer

The Know Your Customer process is a vital element of the customer acquisition and retention process. There are two parts to KYC:

- Identify and verify that the customer is who they claim to be; and
- Understand the nature of the relationship that the customer is seeking with the Firm.

Having sufficient information about your customer and using that information is the cornerstone of the Firm's AML procedures and it is the most effective weapon against the Firm being used for illicit activities. The Firm will not establish a business relationship with a customer until the nature of the business the customer expects to conduct has been determined and the customer on-boarding process has been completed.

Every business unit must ensure that each new customer relationship is subject to a robust on-boarding process appropriate to the risks posed from, amongst others the customer and product mix. This process establishes standards for identification and documentation of new customers and the performance of appropriate due diligence in line with local and regional requirements, if any and the Firm's minimum standards and provides for approval of all new customer relationships by appropriately trained and authorised personnel and/or committee(s), where applicable.

KYC is not a one-off process and it should continue throughout the lifetime of the relationship. Once an ongoing relationship has been established, any business undertaken for that customer must be regularly and appropriately assessed against the customer's expected pattern of activity for sound commercial reasons. Any unexplained unusual/suspicious activity should then be examined to determine whether there is a suspicion of money laundering and/or terrorist financing. Regular review of the relationship must also be undertaken to ensure that conditions upon which the firm accepted the client have not materially changed.

5.14.2. Suspicious Matter Reporting

All employees have an obligation to immediately report suspicions of money laundering. If you suspect possible money laundering, you must immediately report such suspicions to your manager, as well as to your [Line of Business Compliance Officer](#), or Asia Global Financial Crimes Compliance (GFCC). Employees must not discuss their suspicions with colleagues other than the AML contacts within the Firm. In particular, employees are prohibited from discussing the matter or notifying the person or entity under suspicion.

5.14.3. AML Training

Each business unit, in co-ordination with Compliance, must implement or participate in AML training designed to train appropriate personnel to implement these policies.

The requirements in the above paragraphs should be read in conjunction with section 6.5 which specifies the Indonesia policy requirements.

Relevant policies and guidance:

[Anti-Money Laundering Policy – Global](#)

[Know Your Customer Standards – Global](#)

[Global IB AML Policy Version 2.2 – include in applicable LOB manuals](#)

[Assurances of JPMC's AML and Sanctions Compliance Programs](#)

[Guidance for Handling Requests for USA PATRIOT Act Certifications/Recertifications](#)

[Customer Identification Program – Global](#)

[Customer Identification Programme Procedure for the Asia Pacific Region](#)

5.15. Economic Sanctions / Foreign Assets Control

The Global Sanctions Standards state that JPMC, including all its branches and direct and indirect subsidiaries (JPMC Entities) and their employees, wherever located, must comply with the sanctions administered and enforced by the U.S. Department of the Treasury's Office of Foreign Assets Control (OFAC) and any other related U.S. laws and regulatory requirements. In addition to compliance with U.S. sanctions, JPMC Entities and employees located outside the U.S. must also comply with applicable country and regional sanctions requirements (the "non-U.S. sanctions"). Compliance with all applicable sanctions, both U.S. and non-U.S., is critical to maintaining the Firm's integrity and reputation and protecting the Firm and its employees against liability.

Relevant policies and guidance:

Email: [GSC APAC](#)

[Sanctions Standards - Global](#)

5.16. Conducting Business into the U.S. - Rule 15a-6

Section 15 of the U.S. Securities and Exchange Act of 1934 generally precludes non-U.S. broker-dealers from dealing with and soliciting securities transactions from U.S. clients unless the non-U.S. broker dealer is registered with U.S. Securities and Exchange Commission or unless an exemption applies. These exemptions, which are set forth in SEC Rule 15a-6, have specific requirements that must be met in order for non-U.S. broker-dealers and their personnel to conduct securities business with a U.S. institutional investor without an SEC registration.

Rule 15a-6 applies to non-U.S. broker-dealers and their personnel. At J.P. Morgan, non-U.S. broker-dealers include, but are not limited to, J.P. Morgan Securities plc, J.P. Morgan Securities Canada Inc., J.P. Morgan Whitefriars Inc., J.P. Morgan Securities (Far East) Limited, J.P. Morgan Securities (Asia Pacific) Limited, J.P. Morgan Securities Asia Private Limited, J.P. Morgan Securities (Taiwan) Limited, J.P. Morgan Securities Australia Limited, J.P. Morgan Securities Philippines, Inc., J.P. Morgan Securities Singapore Private Limited, and PT J.P. Morgan Securities Indonesia.

All transactions executed on behalf of U.S. institutional investors by a non-U.S. broker-dealer at J.P. Morgan must be contracted through J.P. Morgan Securities LLC ("JPMS"), which is a U.S.-registered broker-dealer.

Relevant policies and guidance:

[SEC Rule 15a-6 Operational Internal Control Policy and Procedures - JPMS](#)

5.17. Securities Offerings U.S. Registration Exemptions - Rule 144a/Reg S

144A and Reg S are exemptions from registration of securities under the U.S. Securities Act of 1933. The manner in which securities are offered and sold must comply with 144A or Reg S in order to maintain the exempt status of the offering. 144A offerings can only be offered or sold to Qualified Institutional Buyers ("QIBs"). Reg S offerings can only be offered or sold to non-U.S. Persons in offshore transactions.

5.18. Appropriateness

The Firm can more effectively serve its clients, manage its business risks and fulfil its supervisory obligations by understanding the financial sophistication of its clients, and by only entering into transactions that are appropriate. The Firm has established minimum standards for evaluating the appropriateness of a transaction. It has also implemented a Distribution Policy the purpose of which is to assess the degree of legal risk and reputation risk that may arise and may be assumed by JPMC, when products are sold through Intermediaries to individual investors.

Relevant policies and guidance:

[Appropriateness Policy - Investment Bank](#)

[Appropriateness Policy--Swap Dealers](#)

[Distribution Policy](#)

5.19. Suitability

JPMC's policy is that it will not enter into a transaction with a client unless JPMC believes the client, either alone or through independent professional advice, is capable of:

- Understanding the nature of and the risks involved in the transaction; and
- Making independent decisions about the material terms, conditions and risks of the transaction.

In recommending the purchase, sale or exchange of any security to a client, you must have reasonable grounds for believing that the recommendation is suitable for such client upon the basis of the facts, if any, disclosed by such client as to such client's security holdings and as to such client's financial situation and investment experience and objectives.

Please also refer to section 6.6 for the Indonesia requirements on suitability.

5.20. Complaint Handling and Reporting

Complaints have the potential to expose the Firm to legal and or reputational risk and can have an irreparable impact on client relationships if they are not handled properly. A Complaint is any written or oral statement of dissatisfaction or grievance other than a statement regarding a non-systemic, routine matter or query of a minor nature that is promptly resolved after an initial discussion. All Complaints, whether written or oral, must be handled in an expeditious and professional manner and immediately escalated internally so as to maintain the highest level of service and to satisfy regulatory obligations of the Firm. Escalation should be to your supervisor and Compliance, as well as the LOB Head and the LOB Business Manager.

Please also refer to section 6.8 for the Indonesia policy requirements on Complaint handling.

Relevant policies and guidance:

[Complaint Handling Policy - Asia](#)

5.21. Limits on Dealing, Investing and Underwriting - Regulation K.

Regulation K (Reg K) is a regulation which defines equity trading limits. The limits are set at the US Bank Holding Company level for Foreign Banking Subsidiaries of JPMC. Reg K limits:

- US\$ 40mm Dealing Limit
- Equity percentage limit
- Underwriting limit

If you trade, and the trade results in a long stock position, you need to consider the net long delta. A breach of Reg K occurs at the time of execution (not Close of Business).

The Dealing Limit is managed by strict adherence to a number of internal controls and thresholds:

- There is an internal Reg K limit of \$20M applied globally
- A trader must seek approval from a Reg K regional approver to hold over the internal limit. Approval should only be obtained in an exceptional circumstance
- Anything over the Reg K limit must be reduced (sold or hedged) or moved to GTCO (must be completed as soon as possible)

- Traders must review the Reg K Report before trading to ensure they are aware of the Bank's positions and call the Reg K Line for approval to purchase

You must pre-advise the Reg K Team of:

- Index re-weightings, as positions may be bought over a period of time before the re-weighting takes affect
- Short side of transaction is not booked due to various issues

Pre-advise the Reg K Team AND obtain pre-approval from regional management for any trade resulting in or increasing an issuer's Reg K position to \$20mm and over.

Relevant policies and guidance:

Asia Reg K Hotline: +61 2 9003 7344

Asia Reg K Email: Asia Reg K Team

5.22. Dealings between Bank and Non-Bank Affiliates - Regulation W/Section 23A/B

Regulation W is a globally-applicable U.S. law which imposes restrictions on covered transactions between a bank chain entity (including its subsidiaries) and its affiliates, in order to limit a bank's financial exposure to its affiliates. Regulation W applies globally to all of JPMC subsidiaries.

Affiliates are generally defined as companies deemed to be controlled by JPMC. Control is typically determined in one of three ways:

- >25% Equity
- >15% Investment
- Funds advised by any JPMC entity

A Covered Transaction includes the following:

- Credit Transactions which include:
 - Extensions of credit to an Affiliate from the Bank Chain (e.g. loans, overdrafts, committed facilities, repos, and acquisitions by purchase or otherwise of a note or other obligation, including commercial paper of an Affiliate).
 - Credit exposure to Affiliates under derivatives transactions or securities borrowing or lending transactions.
 - An issuance of a guarantee, acceptances or letters of credit on behalf of an Affiliate; confirmations of any letter of credit issued by an Affiliate; cross-Affiliate netting arrangements.
- Purchase of or investment in a security issued by an Affiliate.
- Purchase of assets from an Affiliate.
- Accepting as collateral securities issued by an Affiliate or other debt obligations of an Affiliate.

To help identify bank chain entities and affiliates, JPMC has developed an online application called the Global Entity Management System ([GEMS](#)).

Relevant policies and guidance:

[Regulation W-Sections 23A and 23B Policy](#)

Regulation W Contacts:

- Contact your Legal or the Treasury Teams if you require assistance with Regulation W.
- Treasury Teams in London and New York:
 - Diane Clivaz +442071347630
 - Mitesh Sheth +442077425485

- Peter W Smith +1 212 270 5815

5.23. Safeguarding of Material Non Public Information

JPMC has to preserve confidentiality and to prevent the misuse of Material Non Public Information (“MNPI”). The "Information Barriers" policy sets forth the procedures that the Firm has designed to limit the flow of MNPI from Private Side areas to Public Side areas.

LOBs and LOB or Country Compliance should consult with the Control Room as necessary to ensure that they have the proper physical, electronic or procedural separation needed to prevent the improper flow of MNPI between a Private Side area and a Public Side area of the Firm. LOBs on the same side of an information barrier must also maintain permanent LOB-level policies that restrict information flows to some or all other LOBs on the same side of that Information Barrier.

Employees who possess MNPI must:

- Safeguard such information and prevent its disclosure to unauthorised employees and others outside of the Firm;
- Not engage in prohibited sales, trading, research and/or other Public Side activities;
- Remain aware of their surroundings at all times when discussing MNPI;
- Refrain from discussing MNPI in public places, including elevators, restaurants, public transportation, on speaker phones, on mobile phones and use project names while writing or reviewing e-mail or other written correspondence.

If an employee inadvertently receives MNPI from an external source, including but not limited to a customer, third party or outside paid consultant, or internally from an investment banking employee or from any other Private Side area employee, they must keep the information confidential and contact the Control Room or an appropriate Compliance Officer immediately.

In order to avoid the inadvertent receipt of MNPI, Public Side area employees must clearly identify their roles when meeting with a colleague, issuer clients, customers or potential customers.

The flow of all information from a Public Side area to a Private Side area is not precluded. For example, Private Side employees may generally subject to applicable policies and regulations, consult with Research, Sales and Trading employees about public information regarding the market provided that no MNPI is conveyed.

U.S. federal securities law prohibits the selective disclosure of MNPI to the investing public. Any material information about JPMC that is to be communicated to any member of the investing public must be publicly disclosed.

Relevant policies and guidance:

[Information Barriers Policy – Firmwide](#)

[Disclosure Policy](#)

[Policy on Using Paid Consultants](#)

5.24. Control Room/ Watch List/ Restricted List

Public Side area employees may sometimes be “Wall Crossed,” on a need-to-know basis to consult with Private Side employees.

Prior to bringing a Public Side area employee over the wall, pre-approval procedures must be followed; the Private Side area employee must first contact the Control Room and Wall Straddler or Designated Approver pre-approval is required. It is the responsibility of the Private Side area to submit the Wall Crossing request to the Control Room who will then coordinate approval of the request by an appropriate Wall Straddler or Designated Approver. The Wall Straddler or Designated Approver will evaluate and determine whether the Public Side area employee may be Wall Crossed

Once a Public Side area employee has been approved to temporarily work on a Private Side area transaction or matter, they may not conduct any of the Public Side area activities in the subject security. This prohibition remains in effect until the employee is crossed back over the wall.

The Control Room is responsible for guiding the Wall Crossing evaluation, approval and documentation process.

The Watch (also known as Grey List) is a highly confidential list primarily comprised of companies or issuers of publicly traded securities or other financial instruments related to securities for which the Firm possesses MNPI. It may also include privately held companies where based on specific facts and circumstances inclusion may be warranted, e.g., the Firm is engaged to underwrite their Initial Public Offerings (“IPOs”).

The Restricted List contains the names of companies or issuers in which the Firm restricts certain business activities such as research, sales, trading and/or employee personal trading as a result of the Firm being involved in a publicly announced event or transactions, or other Firm or client activity subject to legal or policy considerations due to the Firm’s involvement.

The Control Room is responsible for maintenance of the Firm’s Watch and Restricted Lists.

Relevant policies and guidance:

[Wall Crossing and Wall Straddling Procedures - Firmwide](#)

[Watch and Restricted List Policy](#)

[Restricted List](#)

Asia Control Room:

Hotline: +852 2800 1155/GDP 280-1155

Email: [Asia Control Room](#)

5.25. The Conflicts Office

The Conflicts Office is a key part of the Firm’s management of conflicts of interest. It ensures appropriate review of transactions, products and activities (“Reportable Activities”) that could give rise to an actual or perceived conflict of interest and/or related reputation risk for the Firm. All Reportable Activities as defined in the Conflicts Policy originating from any business group within the Firm have to be referred to the Conflicts Office for pre-clearance. The Conflicts Office manages conflicts of interest by reviewing, clearing and, in appropriate cases, limiting business activities and deal team staffing.

Employees should ensure activities that are subject to Conflicts clearance are submitted in a timely manner, prior to inception.

Asia Conflicts is the local contact point in Asia for the Conflicts Office, which is based in New York.

Relevant policies and guidance:

[Conflicts Policy](#)

Email: [Asia Conflicts](#)

5.26. Data Privacy/Security of Confidential Information

Every employee is responsible for protecting the security of the Firm’s confidential information. This is all non-public information related to the Firm, its customers, prospects, counterparties, business partners, suppliers, contractors and employees (collectively, “JPMC information”). It also includes Personal Data or Personal Information of individuals.

JPMC collects personal data that is necessary for delivering its services or products to customers, maintaining customer relationships and for a purpose directly related to its primary business functions and/or activities.

Assume that all JPMC information is confidential unless the contrary is clear.

Employees should have access to and use JPMC Information only in furtherance of their business activities and as permitted by applicable law. All employees must take appropriate care to ensure that JPMC information is accessible by only authorised employees. Attention must be given to the safeguarding of system access and physical office access rights at all times including after office hours.

JPMC information should not be shared with those outside of JPMC, or within JPMC unless there is a legitimate business reason for sharing. It is therefore critical that you follow the Firm's policies and procedures including the Code of Conduct, Clean Desk Policy and system access entitlements, governing the confidentiality of information, as well as appreciating the relevant banking secrecy and client confidentiality regulations applicable to the jurisdictions where JPMC operates.

Maintaining the secure, confidential, fair and lawful treatment of JPMC information is the right thing to do, is vital to the Firm's success, and is required by law in many of the countries in which we do business.

You have an obligation to immediately escalate your LOB Privacy Incident Response Manager (refer to [Privacy Incident Response Managers](#) for his/her name) if you suspect or learn of unauthorised access to or use of JPMC information, regardless of the format of the information (i.e., paper, electronic, or other form).

Whenever an incident occurs, there is a need to act with the utmost urgency, as the risks associated with an incident involving sensitive data will always be very high and require immediate escalation and investigation.

Please also refer to section 6.9 for the Indonesia policies and procedures on data privacy.

Relevant policies and guidance:

[Data Incident Response](#)

[Code of Conduct - Section 1](#)

[Potential Breaches of Information Policy](#)

[Privacy](#)

[Privacy Policy – Global](#)

[Privacy Program – Global](#)

[Data Privacy Handbook – Asia Pacific](#)

5.27. Consecutive Leave

The Firm's Consecutive Leave Policy minimizes the opportunities for the perpetration of a fraud and ensures compliance with regulatory guidelines. It requires certain employees in sensitive positions (Designated Employees) to be out of the office for a specified consecutive number of days each calendar year. Each employee is responsible for complying with the Consecutive Leave Policy and any additional LOB and local law requirements.

Relevant policies and guidance:

[Global Consecutive Leave Policy](#)

[Consecutive Leave Policy Frequently Asked Questions](#)

5.28. Supervision

Management is responsible for ensuring that proper management and control has been established. Supervisory responsibilities are a key component of this overall control responsibility. Applicable laws, rules, and JPMC policy require that managers supervise their employees to ensure

they are meeting the Firm's policies and procedures, and acting within their authority and in accordance with the law and regulatory requirements.

Relevant policies and guidance:

[Guide to Supervision for EMEA and Asia](#)

[Compliance Training and Supervisory Monitoring](#)

5.29. Anti-Trust

The Firm is committed to competing openly and honestly on behalf of its clients and itself. Your interactions and communications with competitors should be limited only to what is necessary to carry out the work at hand and advance approvals may be required.

Antitrust laws prohibit anti-competitive or collusive conduct, including agreements among competitors. Predatory or exclusionary conduct that is intended to harm a competitor and that lacks a legitimate business rationale is also prohibited.

If you have any questions as to whether any conduct may be collusive or anti-competitive, you must consult with Legal and Compliance before engaging in the conduct. You must also promptly report to Compliance any activity you suspect may violate the antitrust laws or policies, whether by fellow employees, competitors, customers or other parties doing business with the Firm.

Relevant policies and guidance:

[Section 2.3.3 of the Code of Conduct \("Competition, Antitrust, and Tying"\)](#)

[Antitrust and Competition Compliance Policy - Global](#)

5.30. Anti-Tying

Generally, a tying arrangement occurs when the availability or pricing of one product or service is made conditional on a customer's acceptance of some other product or service, or on the condition that the customer provide some product or service. Anti-tying regulations apply to JPMCB, including all of its foreign branches and all JPMCB subsidiaries.

Relevant policies and guidance:

[Anti-tying Policy](#)

[Anti-Tying Guidelines - International](#)

5.31. Employee Personal Trading and Investment

Workforce Members' (i.e., employees and contingent workers) personal trading and investment activities must always be conducted with the Firm's reputation in mind and in compliance with the [Personal Account Dealing Policy - Firmwide](#), the Firm's [Code of Conduct](#) and any additional personal trading requirements that are applicable to their specific Line of Business (LOB), country, region, or local jurisdiction.

Please note Personal Account Dealing breaches are subject to review by the Firm. Policy violation notices will be issued to subject Workforce Members for non-compliance with the Policy. Violation notices may result in disciplinary action (subject to local laws and regulations) up to and including termination from the Firm.

The Firm's PAD policies require Workforce Members to:

- Disclose all broker accounts including Associated Accounts and any private investments which include but are not limited to hedge funds, private equity investments etc.;
- Pre-clear all purchases, sales, pledges and gifts of both publicly traded and privately held financial instruments with Compliance prior to trading;
- Subject Workforce Members are required to provide the Firm with an official record of transaction details for all Disclosable Accounts during the entirety of the period during which they are subject to this Policy.

Relevant contacts and policies:

Telephone: +852 2800-3311 / GDP 280 3311 (8am to 6:30pm HK time)

Pre-clearance Email: pre-clearance.team@jpmchase.com

APAC Monthly Broker Statements Email: Asia.PAD.Monthly.Broker.Statements@jpmorgan.com

New Starter Attestation: asia.pad.new.starter.attestation@jpmorgan.com

Annual Attestation: asia.pad.annual.attestation@jpmchase.com

Link to [PATROL](#) (System used to manage personal trading accounts and submit pre clearance requests)

[Personal Account Dealing – Firmwide](#)

[Personal Account Dealing Policy & Procedure – Asia Supplement](#)

[PAD Website](#)

[APAC PAD FAQs](#)

[Personal Account Dealing – Supplementary FAQ](#)

5.32. Record Retention

The Firm's records serve as evidence of the Firm's organisation, functions, policies, decisions, procedures, operations and other activities. Accurate and complete books and records are critical to the integrity and operation of our business. Not only do our customers rely on us to keep proper documentation of their activities, but government agencies and self-regulatory organisations require firms like JP Morgan Chase & Co. to create and maintain certain books and records containing accurate and complete information for prescribed periods of time.

The Firm is subject to requirements and obligations that mandate retention of records, including but not limited to international, country-specific, federal or state regulations or requirements. These requirements have established retention periods for certain types of records maintained by the Firm. The Master Record Retention Schedules (refer to [Accutrac](#)) detail the required retention periods and must be read as an addendum to this Policy.

LOBs must not write or publish policies detailing record retention and disposition requirements unless specifically required by a legal or regulatory requirement or expectation. However, LOBs may develop and maintain written procedures to provide appropriate guidance and direction on record management expectations. The published LOB procedure must be written in accordance with the [Record Retention Policy – Global](#).

Please also refer to section 6.7 for the Indonesia requirements on data retention.

Relevant policies and guidance:

[Record Retention Policy – Global](#)

[Voice and Video Recording Maintenance and Retention Policy](#)

[Destruction of Physical Records Procedures for Asia Pacific](#)

[Accutrac](#)

Please refer to the [Global Information Management](#) home page for up-to-date record retention policies and guidance.

5.33. Anti-Fraud, Anti-Manipulation and Other Prohibited Trade Practices

The Firm has adopted guidelines to prohibit illegal trade practices including fraud and market manipulation applicable to all JPMC employees engaged in the purchase or sale of swaps, securities, commodities, futures, options, forwards, or spot transactions in all asset classes. You must comply with the guidelines in the policy below in all your sales and trading activities including in statements to your counterparties.

- Do not make untrue statements or misleading omissions in connection with the sale or purchase of securities.
- Never trade based on material non-public information.
- Do not engage in any activities that create a false or misleading appearance regarding the trading volume, liquidity or price of a security.
- Report any suspected or known fraudulent activity or market manipulation.

Relevant policies and guidance:

[Anti-Fraud, Anti-Manipulation and Other Prohibited Trade Practices](#)

5.34. Regulation O

Regulation O (“Reg O”) is a federal banking law that limits a bank’s ability to extend credit to its executive officers, directors, principal shareholders, or their related interests (collectively, “insiders”). A related interest is any entity directly or indirectly controlled by an insider, or any political campaign committee whose funds or services benefit an insider. Under certain circumstances, extensions of credit to immediate family members of insiders may be treated as credit extended to the insiders under the Policy.

Preferential extensions of credit to insiders are prohibited.

Every insider is assigned a “designated banker” who has been trained in the requirements of the Policy and whose job it is to assist the insider with any requests for extensions of credit.

JPMC’s Office of the Secretary maintains a list of insiders for all JPMC banks. All new insiders must be promptly reported to the Office of the Secretary. If at any time a bank officer becomes aware that a customer is or has become an insider of JPMC or a JPMC bank, the Office of the Secretary must be immediately notified.

Bank officers must also ensure that the identification of any customer as an insider is recorded in Client Central. All extensions of credit to insiders, whether employees or customers, must be recorded in Client Central as well.

Relevant policies and guidance:

[Regulation O: Loans to Executive Officers, Directors and Principal Shareholders of Member Banks Policy – Firmwide](#)

6. Core Compliance – Country

This section provides a high level overview of the key local regulatory requirements and corresponding policies and procedures on various core Compliance matters. You should not

consider this to be an exhaustive list and should refer to applicable rules and correspondence, as appropriate.

You should refer to section 7 for the LOB specific requirements which apply in addition to the core Indonesia Compliance requirements set forth in this section.

6.1. Indonesia Regulatory Environment

The Otoritas Jasa Keuangan – Capital Market Supervisory (OJK) is the principal regulator of the Capital Market Industry in Indonesia. OJK has the authority to grant business license to capital market participants to include Stock Exchange, Clearing Guarantee Institution, Central Depository, Public Listed Company/Issuer, Investment Fund, Securities Company, Investment Advisor and Securities Administration Agency. The operational of stock exchange business is also regulated by the Indonesia Stock Exchange, PT Kustodian Sentral Efek Indonesia (KSEI) and PT Kliring Penjaminan Efek Indonesia (KPEI) being the Self Regulatory Organization (SRO)

6.1.1. OJK-Capital Market Supervisory

OJK responsible to provide guidance, regulation and day-to-day supervision of the Capital Market industry ensuring that the Capital Market is orderly, fair and efficient and that the interest of investors and the public are protected. OJK is also the only body who grants Individual License of Underwriter, Broker-Dealer and Investment Manager's Representative as well approval to the operational of Custody Services provided by banks. OJK regulates all activities in capital market promotes the stability and integrity of the capital market system in Indonesia. To meet its policy objectives, the OJK has issued a series regulation and policy framework governing each type of capital market participant.

6.1.2. Indonesia Stock Exchange (IDX)

The IDX regulates and operates the stock exchange in Indonesia. IDX make rules on Membership, Listing, Fungibility of Securities, Clearing and Settlement of Exchange Transaction and other related exchange matter. IDX provides systems and facilities to support securities trading and company listing as well to supervise their members effectively. IDX enforces its listing, trading and membership rules.

6.1.3. Indonesia Clearing Guarantee Company (KPEI) & Central Securities Depository (KSEI)

The Clearing Guarantee Institution and Central Securities Depository are established for the purpose of providing clearing and central custodian services that are orderly, fair and efficient guaranteeing settlement of exchange transaction. KPEI and KSEI regulate the clearing and settlement of exchange transaction as well as its members.

6.1.4. Supervision of JPMSI

JPMSI is a licensed corporation and regulated by OJK being the primary regulator. IDX, KPEI & KSEI also regulate and supervise JPMSI being a trading & clearing member and subject to the applicable rules and regulation set.

Individual License of Broker Dealer or Underwriter is required to the Director of the company who responsible to the operational of the company. License is also required to person who conduct underwriting activity, marketing function, compliance function, risk management function and research.

6.1.5. Key Statutory Positions

Compliance function as stipulated in OJK regulation (KEP-548/BL/2010 (V.D.3) concerning Internal Control of Securities Company which Conduct Brokerage Activity) shall responsible:

1. To review securities ledger and securities account in monthly basis;
2. To identify policy, standard operating procedure, and regulation which relevant to brokerage;
3. To formulate policies and procedure main duties and function of compliance unit;
4. To ensure the company is in compliance with policies and standard operating procedures;
5. To ensure the company is in compliance with license provisions;
6. To ensure the company is in compliance with the provisions of the implementation of employee supervision;
7. To ensure the company is in compliance with the provisions of internal control;
8. To ensure the company is in compliance with the provisions of prevention and eradication criminal act of money laundry and funding on terrorism activities;
9. To ensure the company is in compliance with the provisions of securities transactions, among others:
 - a) to prevent employee from disclosing confidential data;
 - b) to detect, prevent and manage conflict of interest;
 - c) supervise new customer opening account;
 - d) supervise securities transactions including but not limited to company interest or its affiliates;
 - e) supervise the management of company's portfolio;
 - f) supervise every information, advise, recommendation, and/or research result which published by the company to the customers and/or public; and
 - g) conduct supervision on recording and documentation, including irregularities and prevention of disclosure of confidential record and information.
10. customer complaint handling and administration with the obligation to have special mechanism to handle and follow up customer's written complaint (internal dispute resolution), with following provisions:
 - a) have customer complaint handling procedure;
 - b) have internal dispute resolution procedure;
 - c) have customer complaint archive which arranged according to customer alphabet;
 - d) customer complaint record must be attached with relevant documents related to the complaint;
 - e) customer complaint record must include actions that have been taken including the settlement of the problem; and
 - f) in the event there is no customer complaint, compliance function must keep monthly complaint archive with no complaint.
11. supervise business continuity plan;
12. provide periodic report minimum once a year and incidental report to board of commissioner and/or directors; and
13. provide assistance and/or training to other functions within the company in order to ensure that the functions are in compliance with capital market regulations and other relevant regulations.
14. compliance function is obligated to have standard operating procedure which in accordance with capital market regulations including but not limited to:
 - a) risk identification and violation procedure;
 - b) potential risk handling (risk mitigation) and violation indication procedure;
 - c) incidental or periodic reporting procedure;
 - d) supervision procedure to fix the violation and to ensure the violation will not be happened again; and
 - e) procedure of maintaining documents related to duties of compliance function.
15. the authority of compliance function must be stipulated in pact (charter) which binds the compliance function.
16. compliance function obligates to secretly report to board of commissioner and OJK if there is violation indication to regulation conducted by company or customer.

6.2. Indonesia Licensing and Registration

6.2.1. Fit and Proper Requirements

The OJK-Capital Market has general discretion to grant or refuse an application to the appointment of Director and Commissioner in Indonesia. Factor taken into consideration is to include integrity as well as suffice expertise in capital market.

The OJK requires applicants to demonstrate that they are “fit and proper” in order to obtain an approval. An individual applicant appoint as Director and/or Commissioner in general must demonstrate:

- Good moral and integrity
- Competency and expertise in capital market

6.2.2. Licensing Requirement

A staff member who conducts a regulated activity in securities businesses must hold in individual license. Without a license, staff must refrain from making specific transactional recommendations or from providing any personalised investment advice directly to clients.

If a staff member who is not licensed attends a client meeting, or an overseas staff visiting Indonesia to provide regulated services, the unlicensed staff must be accompanied by an Indonesia qualified staff who should be responsible for and control the meeting

For obtaining an individual license applicant, a person must take pass the Professional Standard Examination. There are 3 types of Individual Licenses. They are: Broker Dealer, Underwriter and Investment Management. Individual License can be applied to OJK after the person pass the examination, certain administration and application paper is determined for submission. OJK has full discretionary to grant or refuse the license application. License will automatically be revoked if the person has not been working in a securities company in 2 years of time. It is the responsibility of each individual to report to OJK his employment.

License holder is obligated to renew their license every 2 years, attend continuous education program once in 2 years and become a member of capital market association.

Relevant policies and guidance:

POJK No 20 POJK 04 2016 Perizinan Perusahaan Efek Yang Melakukan Kegiatan Usaha Sebagai Penjamin Emisi Efek dan Perantara Pedagang Efek

Bapepam Rule V.B.1

6.3. Internal Control of A Securities Company Conducting Broker Dealer Business

Internal Control of a Securities Company is regulated under Rule V.D.3. Securities Company must ensure that there is internal control system at least in accordance with this Rule to minimize the error risks. A Securities Company must own and perform at least 6 (six) functions, as follows:

- marketing function;
- risk management function;
- accounting function;
- Custodian function;

- information technology function; and
- compliance function.

The Securities Company must perform separation of such functions with the requirement that staff who performs each of the mentioned functions is prohibited to cover other function. Standard Operating Procedure of each function must be available and be updated from time to time.

Relevant policies and guidance:

[OJK No KEP-548/BL/2010 \(V.D.3\) - Pengendalian Internal Perusahaan Efek Yang Melakukan Kegiatan Usaha Sebagai Perantara Pedagang Efek](#)

6.4. Regulatory Continuing Obligations

Compliance function has obligated to ensure that regulatory reporting shall be submitted in timely manner and in accordance with the provisions. Following is list of regulatory report of securities company:



Regulatory Report

6.5. KYC and Anti-Money Laundering

As well as complying with the firms global AML and Sanctions policies, all businesses operating in Indonesia must comply with the Anti-Money Laundering Policy – Indonesia as well OJK Rule Number 12/POJK.01/2017 concerning Implementation of Anti Money Laundry and Prevention of Terrorism Funding in Financial Sector.

Key requirements:

- Financial Service Provider is obligated to identify, asses, and understand the risk of money laundry and/or terrorism funding criminal act related to the customer, country or geographic area, product, service, transaction or distribution network;
- Document Risk Assessment;
- Consider entire risk factors before set overall risk level as well as to apply level and type of an adequate risk mitigation;
- Update risk assessment periodically;
- Have adequate mechanism related to provision of risk assessment information to the relevant authorities;
- Financial Service Providers are required to have policies and procedures, supervision, management and mitigation risk of money laundry and terrorism funding, which approved by the Board of Directors and Commissioners, in order the financial service providers are able to manage and mitigate the risk that have been identified;
- Financial Service Provider is obligated to monitor the implementation of the policies, controls and procedures as referred above and improve the implementation if necessary;
- Financial Service Provider is obligated to assign further action to manage and mitigate risk in the event higher risk is identified.

Relevant policies and guidance:

[Anti-Money Laundering Policy - PT J.P. Morgan Securities Indonesia](#)

[POJK No 12/POJK.01/2017 Penerapan Program Anti Pencucian Uang dan Pencegahan Pendanaan Terorisme di Sektor Jasa Keuangan](#)

6.6. Suitability

When recommending a product or transaction to a customer you must consider its suitability based on the customer's financial circumstances, investment experience and sophistication.

Securities Companies are prohibited from:

- a. influencing or pressuring clients to act in ways contrary to their interests;
- b. disclosing a client's name or business, unless authorized in writing by the client or otherwise required by current law and regulations;
- c. concealing material information from clients or making misrepresentations regarding their business capabilities or financial condition;
- d. recommending that clients buy or sell Securities, without revealing that the Securities Company has an interest in such Securities; or
- e. buying or holding in its name or in the name of an Affiliated Person, Securities of an over-subscribed Public Offering, with respect to which the Securities Company is the Underwriter or selling agent, until orders of Unaffiliated Persons are filled.

Securities Companies must:

- a. know the background, financial situation, and investment objectives of their clients; and
- b. prepare and maintain proper records of their financial condition, orders, and Transactions

Securities Companies must follow procedures stipulated by BAPEPAM when receiving clients' Securities and must:

- a. register clients' Securities in accounts that are separate from accounts of the Securities Company; and
- b. maintain secure facilities for safekeeping clients' assets, with separate records for each client.

Relevant policies and guidance:

Refer to Article 35-37 of the Capital Market Law

6.7. Data Retention Policy

All document, record of data and/or conversation and all record of a Securities Company as stipulated under Bapepam Regulation V.D.3 must be:

- a. Kept for the period of at least 5 (five) years; and
- b. At least the first 2 (two) years of the period of 5 (five) years mentioned must be kept in a place that is easy to be reached.

Relevant policies and guidance:



Bapepam Rule No V
D 3 (New - 2010 - Enç

[Bapepam Rule V.D.3](#)

6.8. Complaint Handling

OJK regulation, No 57/POJK.04/2017 concerning Good Corporate Governance of Securities Company that Carry On Underwriting and Brokerage Activity, obligates Securities Company to:

1. Have customer complaints handling policy, which include:
 - a) Systemic reporting process;
 - b) Complaint handling period;
 - c) Compliant handling;
 - d) Working unit or party who manages handling of complaints;
 - e) Result of handling and follow up of complaints; and
 - f) Periodic evaluation by Board of Director and Board of Commissioner toward the customer complaints policy.
2. Fulfil obligation of customer complaint handling policy as regulated in capital market law which govern internal control of securities company which conduct brokerage activity.

Relevant policies and guidance:

[Complaint Handling Policy - Asia](#)

[Peraturan OJK No 57/POJK.04/2017 - Penerapan Tata Kelola Perusahaan Efek yang Melakukan Kegiatan Usaha Sebagai Penjamin Emisi Efek dan Perantara Pedagang Efek](#)

6.9. Customer Protection

Pursuant to OJK regulation 1/POJK.07/2013 concerning Consumer Protection in the Financial Service sector, financial service providers must apply the following consumer protection principles:

1. Transparency;
2. Fair treatment;
3. Reliability;
4. Confidentiality and security of data / information consumers; and
5. Handling consumer complaints and dispute resolution in a simple, fast, and affordable cost.

Below circular letters have also been issued as implementing guidelines on the regulation:

- OJK Circular Letter # 1/SEOJK.07/2014 concerning Education to Customer to Improve Financial Literacy:
The circular letter governs financial services provider to provide financial literacy education to customers/community. The plan has to be submitted to OJK annually as part of the bank's business plan. An implementation plan has to be submitted to OJK on an annual basis.
- OJK Circular Letter # 2/SEOJK.07/2014 concerning Service and Settlement of Customer Complaint by Financial Service Provider:
The circular letter governs the services to be provided by financial services providers to have procedure for customer complaint resolution.
- OJK Circular Letter # 12/SEOJK.07/2014 concerning Submission of Information in order Products or Services Marketing:
Financial Service Provider (PUJK) entitled to ensure good faith of Customer and obtain accurate, honest, clear, and not misleading information and/or documents regarding the Consumer. PUJK shall provide and/or convey accurate, honest, clear and not misleading information; responsible for providing various means of communication media updated and easily accessible to the consumer and / or community at the minimum cover letter, email, telephone, fax, and website.
- OJK Circular Letter # 13/SEOJK.07/2014 concerning Standardized Agreement - "Perjanjian Baku":

Financial Service Provider (PUJK) must satisfy equilibrium, justice, and righteousness in the making of the agreement with the consumer and when planning, formulating, managing, and offering standardized agreement. Standardized agreement containing the rights and obligations of the consumers and the requirements that legally bind the consumers, must use letters, writings, symbols, diagrams, signs, terms, phrases that can be read, and / or simple sentences in Indonesian language that is easily understood by the consumers.

- OJK Circular Letter # 14/SEOJK.07/2014 concerning Confidentiality and Security of Consumer Private Data and/or Information:

A financial services provider (PUJK) is prohibited by any means, to provide private data/information of its consumers to third party, except the consumers have provided written consent and/or mandated by rules and regulations. In the event the consumers provided written consent to the PUJK to provide their private data /information, the PUJK must ensure the third party is not providing or using the private data and/or information for purposes other than the purposes agreed by the PUJK and the third party. In the event the PUJK has received and to use other party's private data /information from a third party, the PUJK must ensure the third party has obtained written consent to distribute such data /information from relevant party. PUJK must develop written policies and procedures on the use of consumers' private data and/or information.

7. Equities Brokerage

7.1. Global and Regional Requirements

7.1.1. Sales and Marketing Activities

Guidance setting out important information that should be read and understood before conducting any sales and marketing activity in each Asia Pacific jurisdiction has been prepared. It covers circumstances where marketing is conducted both onshore and from offshore.

Each jurisdiction has its own laws, rules and regulations which govern sales and marketing activities.

Laws may outright prohibit sales and marketing activities by a non-resident person or require the person to hold a licence in order for them to provide certain financial products.

Conducting prohibited activities or activities without the relevant licence can have serious consequences for you and the Firm.

7.1.2. Trade Idea and Application Systems

Guidelines have been established for the use of any external trade idea applications in Asia, such as Marshal Wace TOPS, Alpha Networks Stream, Bloomberg's TMSG, etc. (collectively referred to as "trade idea systems"). Key points:

- Input into trade idea systems should generally reiterate the Firm's published research recommendations;
- If a user's view of a stock is different from that of the Firm's published recommendation, the user must make this clear in the trade idea system and state what the Firm's fundamental research view is. Users must have a sound basis for their view and it must be clearly labelled as their own;
- Commentary in the trade idea systems must contain only publicly available information;
- The use of information that has been clearly indicated as being for "internal use only" is prohibited.

- You cannot enter information regarding any client flow.
- Users must often check the Restricted List for any communications restriction

Relevant policies and guidance:

[Use of Trade Idea Application Systems in Asia](#)

7.1.3. Market Sounding

You must understand the procedures relating to the initiation and sounding of Equity Capital and Derivatives Markets (“ECDM”) transactions with investor clients prior to a transaction becoming public, including the offer and sale of securities and derivatives instruments through public offerings, placement and block trades.

JPMC has a controlled framework within which ECDM and/or public-siders (employees in Sales and Trading, Trading or Research) may communicate with investor clients concerning certain transactions that may or may not constitute material non-public information (“MNPI”).

Key requirements:

- Sounding must be conducted by ECDM personnel within their segregated area on a taped-line;
- Sounding can be hard, soft or hypothetical;
- As hard sounding involves the disclosure of transaction details, clients will have to agree to be restricted if they receive MNPI;
- Clients should be given the opportunity to decline the receipt of MNPI before proceeding with hard sounding;
- Before the ECDM desk conducts soft sounding, it must consult with Legal and Compliance. Do not reveal the nature and details of a transaction during soft sounding;
- No sounding is permitted for any SEC registered offerings;
- Sounding of non-SEC registered offerings can only be conducted with U.S. clients if a confidentiality agreement is in place; and
- For sounding relating to the Japan market pre-approval must be sought from local Compliance.

Relevant policies and guidance:

[Market Sounding Policy – Asia Ex-Japan](#)

7.1.4. Interactions with Research

Policies and procedures have been implemented to uphold the spirit and letter of the Global Research Analyst Settlement and help ensure that Firm personnel cannot and do not seek to influence the contents of a research report or the activities of research personnel for the purposes of obtaining or retaining investment banking business.

Research may not be subject to the supervision or control of any employee of the Investment Banking Department and may not participate in efforts to solicit investment banking business. Research is prohibited from sharing draft research reports with Investment Banking or otherwise providing Investment Banking with a “heads up” regarding a rating change or initiation of coverage.

In structuring products that are linked to synthetic portfolios whose contents are in turn based on investment research, sales and trading personnel must not provide any direction or instruction to research personnel about the type, scope, content or substance of any published investment research or the timing of the publication. Research Management remains solely responsible for reviewing and approving all investment research coverage decisions (i.e., whether to initiate or terminate production of any particular investment research).

Any attempt to influence the content of a research report or the activities of research personnel should be reported to Legal or Compliance.

Relevant policies and guidance:

[Equity Research Settlement Policies and Procedures](#)

[General Principles for Developing Structured Products that are Linked to Published Investment Research Offshore to the United States](#)

7.1.5. Confidentiality Agreements

Maintaining the integrity of our Confidentiality Agreements (“CAs”) is a priority for JPMC. Clients have a heightened sense of concern for their confidential information and regulators monitor the issue closely. Also, the Firm’s Code of Conduct requires that we preserve the confidentiality of customer information. Therefore, we must be disciplined on what we agree to in CAs and in keeping track of them.

When signing a CA, it is always preferable to use a JPMC approved form. Do not automatically accept a form proposed by a client. The terms of a CA can restrict our ability to conduct particular business and for employees to work on another transaction for as long as the CA is in effect. CAs can restrict deal team members, lines of business and potentially whole legal entities.

Relevant policies and guidance:

[Confidentiality Agreement Policy for the Corporate & Investment Bank](#)

7.1.6. Off-Premises Trading

Indonesia capital market regulation does not permit off-premises trading

7.1.7. Off-Market Trading

Indonesia capital market regulation does not permit off-market trading. As a member of IDX, All transaction must be traded through Indonesia Stock Exchange.

7.1.8. Record Retention

The [Record Retention Guidelines – Asia Equities](#) apply to the business records of Equities in Asia Pacific. These include (but are not limited to) daily transaction and settlement records, customer records, original (or certified) agreements, internal correspondence and file notes relating to the firm’s business.

Records should be retained on-site unless this is impractical due to space or cost constraints. Compliance approval must be obtained before records are moved off-site. Where off-site storage is permitted, be it in another JPM office or third party storage provider, documentation should be retrievable within 2 business days.

Additional safeguards may be required to protect records that might be considered to be particularly important or of a sensitive nature in order to ensure protection against their destruction by such events as fire or flood.

7.1.9. Voice and Video Recording

Voice and video recording is only permitted when:

- The Legal and Compliance Department advises that voice and video recording is required by regulation or law;
- The Legal and Compliance Department advises that voice and video recording is needed for contractual requirements; or

- There is a compelling business reason that has been approved in accordance with the procedure in the policy or is exempt under the policy.

Relevant policies and guidance:

[Voice and Video Recording Policy - Global Investment Bank](#)

7.1.10. Risk Arbitrage

Trading on rumours is not permitted and risk arbitrage activity is permitted only on announced deals. You should refer to the Restricted List to check if trading is restricted on a name as JPMC is frequently involved in M&A deals.

Relevant policies and guidance:

[Risk Arbitrage Policies and Procedures](#)

7.1.11. Pricing and Allocation of Securities Offerings

For all securities offerings in which JPMC is mandated to underwrite securities or act as placement agent for a capital markets client, you should act in the best interests of the capital markets client, appropriately manage conflicts of interests and observe proper standards of conduct.

Pricing recommendations must generally be made to the capital markets client by the relevant Syndicate Desk and Capital Markets Group. The relevant Syndicate Desk may be advised as to the effect of a pricing proposal by other JPM employees, including investment banking coverage, sales and trading personnel, but pricing decisions must be taken by, and are the sole responsibility of, the relevant Syndicate Desk and Capital Markets group in consultation with the capital markets client.

In the allocation process, various criteria will be taken into account. The relevant Syndicate Desk may be advised as to the effect of a proposed allocation by Capital Markets, investment banking coverage, sales and trading personnel, but allocation decisions must be taken by, and are the sole responsibility of, the relevant Syndicate Desk (bearing in mind the preferences and objectives of the capital markets client). Any trading desk that can indicate an interest in the offering may not have access to the composition of the book of demand at any time.

Records of the allocation book and internal approvals, including all approvals required by the 'Trading Desk Allocations and Free-Retentions' in the policy, must be maintained by the relevant Syndicate Desk and retained in accordance with relevant law and regulation.

Relevant policies and guidance:

[Pricing and Allocation of Securities Offerings Policy](#)

7.1.12. Direct Market Access (DMA)

Automated pre-trade controls are required to prevent the execution of transactions that exceed trading and credit limits or not in compliance with applicable regulatory requirements.

Post-trade monitoring is required to identify potentially manipulative or abusive transactions.

7.1.13. Algorithmic Product Development

The algorithmic product development standards are global guidelines that set out JPMC's approach to the implementation and operation of algorithms for automated trading activity, setting out high level objectives to reasonably ensure that algorithmic trading is in line with regulatory requirements and JPMC's policy and procedures.

The standards document covers the following:

- Roles and Responsibilities;
- Algo Control Forum;

- Operating Environment:
 - ii. Algorithm product lifecycle
 - iii. eTrading software development lifecycle
 - iv. Limits, monitoring and kill switches
- Model review;
- Algorithm control checklist;
- Process for reviewing and approving changes;
- Record keeping;
- Training and supervision.

Relevant Policies and Guidance:

[Algorithm Production Development Standards](#)

7.1.14. Profit /Loss Sharing or Guarantee Against Loss

Apart from certain block trades which involve sharing of profit /loss with our customers, under no circumstances may an arrangement be entered into with a customer whereby a staff member or JPMC shares any profit or loss made by a client. Under no circumstances should a guarantee be given to counterparty against losses sustained as a result of a securities transaction.

7.1.15. Soft Dollars

Soft dollar (also referred as soft commission or commission sharing) arrangements with clients should be subject to a legal agreement between the parties setting out the terms of the arrangements. Clients who act for their managed accounts or underlying clients in the exercise of investment discretion may receive goods or services (i.e. soft dollars) from JPMC in consideration of directing transaction business to JPMC on behalf of their managed accounts or underlying clients. JPMC when entering into soft dollar arrangements with clients has a responsibility to satisfy itself that the client is mindful of the requirements under the applicable laws and regulations.

To the extent compatible with the applicable law, regulations and legal agreement provisions, JPMC will make payments on behalf of the client to service providers for certain ancillary research and/or execution services which can reasonably be expected to assist the client in the provision of investment services. Before making a payment to service providers, if the type of goods and services listed in the invoices presented by the client appear not to be of the types permitted under the applicable laws and regulations, JPMC should make further enquiries. If in doubt, Compliance should be consulted.

7.2. Country Requirements – Indonesia

7.2.1. Communication and Market Commentary

7.2.1.1. Communications must be Factual

All internal and external communications must be factual and not misleading.

Trading on the basis of unconfirmed rumour or stories to the effect that a transaction is under negotiation or is imminent is prohibited.

Dissemination of or trading in false information is forbidden.

Trading on the basis of analysis, opinions or reports indicating the merits of a potential transaction would not constitute trading on the basis of rumour.

7.2.1.2. Sales Commentary /Research

Market commentaries or trade ideas which you provide to clients must be clearly distinguishable from a research report.

Investment research contains detailed and/or substantive analysis and recommendation, whereas market commentaries are more a personal narrative of market events or a view of securities based on a published research.

Relevant policies and guidance:

[Market Commentary Guidelines for Asia Pacific](#)

7.2.2. Solicitation of Investments

- *Cold Calling.* Cold calling (either by means of a telephone call or email correspondence) of prospective clients to solicit orders is not permitted.
 - v. It is an offence in Indonesia if an intermediary or a representative of an intermediary during an unsolicited call, makes / offers to make / induces / attempts to induce another person to enter into an agreement for that other person to sell or purchase any securities;
 - vi. The prohibition does not apply to a permissible communication that is not made by a visit in person, a telephone conversation or any other interactive dialogue in the course of which statements and responses to them are exchanged immediately;
 - vii. You can make calls to professional investors or existing clients. “Existing client” means a person who has entered into a client contract with us or JPMC has provided a service constituting a regulated activity during the period of 3 years immediately preceding the day on which the call is made.
- *Solicited Orders.* JPMC cannot solicit transactions when securities are included on the Restricted List. An order is solicited when a transaction in a specific security is recommended to a client and the client places an order as a result of that recommendation.
 - viii. An order may also be deemed to be solicited following the mailing of a research report or other written communication for the purpose of encouraging the client to act on the information provided or sending a prospectus on a new issue.
- *Release of Order Flow.* The following steps should be taken to safeguard client interests if their order information is released to selected parties to enable large orders to be filled at a more competitive prices (known as “Indication of Interest” or “IOI”):
 - ix. client name must not be disclosed during conversations with interested parties;
 - x. the indicative transaction size would normally smaller than the client’s orders. However, in certain circumstances (e.g., the order size is relatively small in comparison with the market turnover and it is expected that there will not have any market impact on the price of the stock) then the full size may be disclosed;
 - xi. the exact limit price is normally not disclosed but subject to sales trader discretion by taking into account order size, potential market impact and interests of clients;
 - xii. When responding to requests from interested parties on the particulars of orders (e.g., size, limit price), sales traders need to exercise discretion based on their knowledge of the clients and their previous trading history. The sales traders should always act in the best interests of clients. You should consult your manager if you are in doubt.

Relevant policies and guidance:

[Indonesia Capital Market Law No 8](#) Market Law

7.2.3. Acceptance and Execution of Orders

7.2.3.1. Restricted List

All traders should check against the [Restricted List](#) as well as any intra day updates as to whether the subject stock is prohibited from trading. If in doubt, you should contact your Compliance Officer or the Asia Control Room on GDP 2801155.

7.2.3.2. Order Recording

Orders including agency orders and internally generated orders such as orders for proprietary accounts and staff accounts must be recorded promptly and include the following particulars:

11. instructions to purchase or sell securities (including, the name of the client, the number of securities to be bought or sold, any price or time related instructions and any time limit on the order, identification of the securities);
12. the time of the receipt of instructions from the client, execution, modification, cancellation and expiration of the order;
13. method of receipt e.g., telephone / Bloomberg / fax, etc.;
14. any amendments of any kind to an order or decision including, without limitation, any cancellation of an order or a variation to price or limits within which securities may be purchased or sold.

7.2.3.3. Time-Stamping

Sales personnel should ensure that every order ticket is immediately time-stamped upon receipt of the order and following each execution of the trade. The order receipt and execution times are captured in the trading system.

7.2.3.4. Telephone Taping

Order instructions received from customers through the telephone should be recorded by the telephone recording system. Telephone tapes have to be kept for at least 5 years as required by local regulation. Tape recordings of customer orders assist in ensuring that there is reliable evidence to use when assessing any dispute between Firm and a customer concerning the particulars of a trade order. Telephone tapes may be subject to subsequent review by others in the Firm or third parties and may be admissible as evidence in legal proceedings. They have the potential to be used in internal and external reviews or enquiries, regulatory investigations and litigation matters.

Traders must not use cell or mobile phones to receive orders or execute transactions. Taped telephone lines must always be used. .

Relevant policies and guidance:

Bapepam Rule V.D.3 Section 7.c.5

7.2.3.5. Order Confidentiality

Client orders must be kept strictly confidential in particular when the order size is large and JPMC is still working on the execution. You should use your best efforts to prevent the information from leaking to external parties and internal parties that are not relevant to the workflow.

7.2.3.6. Best Interests of Clients

JPMC has an obligation to act in the best interests of its clients and should not place itself in a position in which its interests are in conflict with those of its clients. In particular, the JPMC entities that participate on a recognised stock exchange must not, under the rules of those exchanges and

securities laws and regulations, give unfair preference to any JPMC or staff accounts, or to any client, over another client.

Where JPMC has a material interest in a transaction with or for a client or a relationship which gives rise to an actual or potential conflict of interest in relation to the transaction, it should neither advise, nor deal in the transaction unless it has disclosed that material interest or conflict to the client and has taken all reasonable steps to ensure fair treatment of the client.

7.2.3.7. Best Execution

A licensed or registered person when acting for or with clients should execute client orders on the best available terms.

JPMC must take all reasonable steps to obtain the best possible result for clients, taking into account price, cost and speed of execution, likelihood of execution and settlement, size, nature and/or any other relevant order execution considerations, whether executing orders on behalf of clients or placing orders with, or passing orders to, others for execution.

7.2.3.8. Customer Priority

You must handle customer orders fairly and take all reasonable steps to execute them promptly in accordance with customers' instructions and in the sequence in which they are received.

You should not withdraw or withhold client orders for own convenience.

Customer orders or transactions to be undertaken for customers shall at all times have priority over orders for the account of the Firm, or any account in which the Firm has an interest or any account in which an employee or agent of the Firm is interested.

Relevant policies and guidance:

IDX Trading Rule IIA

Bapepam Rule V.D.3

7.2.4. Trade Recording and Reporting

7.2.4.1. Prompt Confirmation

After JPMSI has effected a transaction for a client, it should confirm promptly with the client the essential features of the transaction.

7.2.4.2. Prompt and Fair Allocations

JPMSI should ensure that transactions executed on behalf of clients are promptly and fairly allocated to the accounts of the clients on whose behalf the transactions were executed.

7.2.4.3. Trade Matching

Daily, JPMSI's own record of trades should be matched to the trading/clearing lists received from the exchanges or clearing houses and where applicable, to confirmation documents issued by counterparties and executing brokers. Exception reports identifying mismatched and unusual trades are produced, reviewed and follow-up actions taken, where necessary, trade amendments, cancellations, re-booking should be properly reviewed.

7.2.4.4. Trading Errors

All errors are to be immediately reported in accordance with applicable business error and accommodation policies.

7.2.5. Trade Confirmation

After JPMSI has effected a transaction for a client, it should confirm promptly with the client the essential features of the transaction.

There are specific content requirements applicable to trade confirmation

Delivery requirements:

- Trade Confirmation must be received by client on the day of transaction (T Day)
- Trade Confirmation must specify the trade and settlement details

7.2.6. Facilitation Trading/Asia Cash Trading

The Facilitation Trading desk provides a service to clients of JPMSI by committing capital in order to provide liquidity in stocks where required. A stock inventory is maintained and the desk has a secondary purpose to generate a profit for JPMC. Although the Facilitation Traders sit close to the sales traders to permit close communication they are not permitted open access to client order information. There are separate system flows for agency and principal trades to ensure that principal desks cannot see agency orders / trades through the system. Furthermore, the Asia Cash Trading (“ACT”) desk is restricted in access so they are not able to view agency IOIs.

Given that JPMC has an interest in facilitation transactions with clients, the client involved should know that the transaction is not a normal agency trade and JPMC’s execution of the order as principal should be made clear. Disclosure must be made to the client and their consent obtained before crossing with a client facilitation book. The documentation forms part of the audit trail of the facilitation transaction and should be kept in accordance with applicable requirements.

7.2.7. Flow of Agency Information

Client order flow should not be disclosed to the Facilitation Traders unless there is a valid need to know.

Equity Traders should adopt the following processes depending on their knowledge of clients’ orders.

7.2.7.1. No Actual Knowledge of Client Orders

Where a Facilitation Trader has no actual knowledge of any client orders, the Facilitation Trader may trade in any securities provided they are otherwise complying with the relevant laws, exchange rules and JPMC policy.

Where the Agency Business has informed the Facilitation Traders of the order flow, those Traders will have actual knowledge of the client orders and the limitations set out below apply.

7.2.7.2. Trading with Knowledge of Client Order Flow

The decision of the Agency Business to advise the Facilitation Traders of the client order flow is at the discretion of the Account Manager, Sales Trading and Dealing staff.

Such circumstances would include: (i) where the Agency business approaches the Facilitation Traders to take the other side of the transaction; (ii) where the Facilitation Traders have executed trades in the market in a particular security and there is a real risk that an Agency order may be disadvantaged if the Facilitation Trader was to continue executing transactions.

This would not, however, prevent Facilitation Traders from initiating and unwinding a position if: (i) it is comparatively small in size in comparison with the market turnover at that time; and (ii) by carrying out the trade in the subject stock, the clients’ orders will not be affected in terms of price and execution.

The final allocation should be reviewed and determined by the account manager and in the event of dispute should be referred to the Head of Equities.

7.2.7.3. Actual Knowledge of Client order Flows

Where a Facilitation Trader has actual knowledge of a client order, the execution of that order must take preference over the execution of any further facilitation orders by the Trader.

Where there is demonstrable evidence that pro-active facilitation was initiated prior to the client order, the Pro-active facilitation may be executed at the same time if the client's consent is obtained.

This restriction only applies to client orders and pro-active facilitation that are on the same terms. Client consent must be obtained.

Relevant policies and guidance:

[Asian Cash Trading Desk \(ACT\) – Asia Ex-Japan & Ex-Australia Standard Operating Procedures](#)

7.2.8. Principal Trading

7.2.8.1. Trading Limits /Mandates

Principal Traders should follow applicable limits/mandates set by the business in conjunction with market risks. Traders are authorised to enter into transactions within such limits and should check availability prior to entering into a transaction.

7.2.8.2. Preclearance

The principles of client order precedence do not apply to Principal Trading provided the following conditions are met:

- Principal traders are segregated from the Agency business by information barriers preventing agency order flow information;
- Principal traders are subject to and conduct their business in accordance with the JPMC Restricted List Policy;
- Principal traders have no knowledge of impending research reports and recommendations prior to the research being published.

Any principal trading undertaken outside of the above conditions must follow the principles of client order precedence on "Client Priority" described above.

7.2.8.3. Prompt Booking of Trades

Booking of transactions should be done by the end of same day or the first thing the following morning if the trade is executed after office hours.

7.2.9. Electronic Trading

The IDX regulation of electronic trading applies to electronic trading of securities that are listed or traded on an exchange. "Electronic Trading" means the trading of securities and futures contracts electronically and includes internet trading, Direct Market Access ("DMA") and algorithmic trading.

Key aspects of the new regime include:

- *Management and supervision.* The responsibility to ensure compliance rests with the Responsible Officers or Executive Officers and management of the intermediaries;
- *Adequacy of systems.* Intermediaries should ensure their electronic trading systems are subject to testing and meet regulatory standards with respect to reliability, controls, security and capacity and that contingency measures in place;

- *Record keeping.* Intermediaries should keep, or cause to be kept, proper records on the design, development, deployment and operation of their electronic trading systems;
- *Risk management.* Intermediaries should put in place risk management and supervisory controls to monitor orders and trades, including automated pre-trade controls and regular post-trade monitoring;
- *Client requirements and employee qualifications.* Minimum client requirements for DMA services and qualification requirements on persons involved in the design, development and the use of algorithmic trading.

Relevant policies and guidance:

IDX Trading Membership Rule IIIA

7.2.10. Market Conduct

7.2.10.1. Insider Dealing

It is a criminal offence in Indonesia to commit in insider dealing. The insider dealing/trading laws generally prohibit any person who is aware of material (price-sensitive) non-public information affecting the price or value of particular securities from: (i) trading in those securities; (ii) disclosing that information to any persons likely to trade; or (iii) procuring another person to trade in those securities. As a consequence, any JPMC trader in possession of MNPI must not execute or cause a transaction to occur in the relevant securities.

Non-public information is information which is not readily available to the public and it includes facts, rumours, opinions and matters of supposition. It may be any type of information and would include any unpublished JPMC Research. Under JPMC Policy, information is public once it has been publicly disseminated through one of the wire services or announced to the public and a reasonable time has elapsed, having regard to the circumstances in each case. The information must be available to the reasonably diligent investor who normally invests in the market upon which the securities are listed.

7.2.10.2. Market Manipulation

- *False Trading.* You must not create a false or misleading appearance of active trading in, the market for, or the price of any securities listed on an Exchange.
A false or misleading appearance means transactions undertaken for the sole or primary purpose of setting, maintaining or otherwise influencing the appearance of active trading, the market for or price of securities.
- *Price Rigging.* You must not enter into any transaction of sale or purchase of securities that does not involve a change in the beneficial ownership or intentionally or recklessly, which has the effect of maintaining, increasing, reducing, stabilizing, or causing fluctuations in the price of securities traded on an exchange or by means of authorized automated trading services
- *Disclosure of false or misleading information inducing transactions* You must not disclose, circulate, disseminate or authorise disclosure of information which is false or misleading as to a material fact to induce another person to subscribe / purchase / sell securities, deal in futures contracts or to maintain, increase, reduce or stabilize the price of securities or futures contracts.

You must not trade for your own account ahead of a customer order on the basis of confidential information such as knowledge of an imminent large purchase or sale by the Firm or a customer, or pass this information to another party to enable them to do so.

When dealing a JPMC trader must never intentionally, recklessly or negligently enter a transaction that is likely to create a false or misleading appearance of trading in, the market for,

or the price of a security. This includes the execution of a client order that may put the Firm in a position whereby it could be seen as a party participating in a market manipulation activity. A misleading appearance may include not only the price of the security but also the active volume of trading. It is your obligation to escalate to Legal and Compliance if you receive orders that might have this effect.

Relevant policies and guidance:

IDX Rule IIIA

7.2.11. Price Stabilization

During the Public Offering period, an Underwriter or Broker-Dealer participating in a Public Offering may offer to purchase, or purchase, Securities for the purpose of maintaining the market price of relevant Securities on a Securities Exchange (stabilization), under the following conditions:

- Stabilization can be arranged only when share price at secondary market is below the official IPO price.
- Stabilization price should not exceed IPO price
- Stabilization period is only 30 days from the listing date
- Stabilization agent only allow to purchase shares (no selling)
- Stabilization agent is only allow to purchase through “Regular Market”
- Stabilization agent should not charge any other charges except the applicable market charges and brokerage commission
- Stabilization agent in conducting price stability should always maintain independency and avoid any conflict of interests

Relevant policies and guidance:

[Bapepam](#) Rule XI.B.1

8. Investment Banking (IB)

8.1. Global and Regional Requirements

The [IB Corporate Finance Policies and Procedures Manual - Asia Pacific](#) documents the requirements and procedures to be followed by bankers in conducting M&A, equity and debt deal business in the Asia Pacific region. It forms part of this Indonesia Compliance Manual and bankers are expected to be familiar with and follow the requirements set forth in both Manuals.

8.2. Country Requirements – Indonesia

8.2.1. Underwriter Business License and Activities

An Underwriter Business Licensee can carry out the following business activities:

1. Underwriter
2. Other activities related to corporate action i.e. advisory in the framework of securities issuance, merger, consolidation, takeover and/or re-structuring

8.2.2. Underwriter’s Statutory and Contractual Obligation and Duties

Disclosure of any Relationship with Issuer

Under the Law No.8 and its implementing regulations, an underwriter must disclose in the prospectus (or offering circular) any affiliation or other material relationship with the Issuer.

Preparation and Distribution of Registration Statement and Prospectus

The lead underwriter must prepare, together with the Issuer, the registration statement to be filed with OJK Capital Market Supervision (“BAPEPAM”) as well as the prospectus. In addition, the lead underwriter is also responsible for the distribution of the prospectus and any information pertaining to the offering.

8.2.3. Underwriters’ Risks and Liabilities

The lead underwriter will be responsible for coordinating the preparation and the filing, including the preparation of the offering prospectus and tasks typically undertaken by a lead managing underwriter of an Indonesian public offering, i.e. marketing, allotment and settlement. The other members of the underwriting syndicate will not have such obligations. In addition, the Indonesian prospectus will contain a statement (as required under Indonesian regulations) that the Issuer, the selling shareholder and the lead underwriter are responsible for the contents of the prospectus. No such statement is required with respect to the rest of the underwriter group, whose primary obligation will be to provide its underwriting commitment.

- *Inaccurate Disclosure in Registration Statement.*

In the event that the registration statement of a public offering contains untrue information regarding any material fact or does not contain information regarding material fact in accordance with Law No. 8 and its implementing regulations so that the information in the registration statement is misleading.

- *Inaccurate Disclosure in Prospectus.*

A prospectus must not contain any false statements with respect to material information and must not omit material information necessary for the prospectus not to be misleading. Any failure to meet such requirement may render the issuer and lead underwriter subject to administrative sanction as set out in the Law No.8 and its implementation regulations as further explained in section Administrative Sanctions.

8.2.4. Allotment and Allocation in Public Offering

BAPEPAM-LK Rule No. IX.A.7 on Responsibilities of Underwriters With Respect to Subscriptions and Allotments of Securities in a Public Offering. In principal, this Rule governs that the allotment to the non-affiliated subscribers has to be prioritized over the allotment to the affiliates. There are two systems of allotment of securities provided by this Rule, namely the Fixed Allotment and Pooling Allotment. Both systems apply the principle of not prioritizing the affiliates as aforementioned

8.2.5. Research Considerations

There are no specific regulations or guidelines on the publication of pre-research in Indonesia i.e., there is no clear regulation on blackout periods in Indonesia. However, if a research report is distributed after a company has announced an offering, under Indonesia Law, this may constitute a marketing or promotion tool of Securities under Bapepam Regulation No. IX.A.9 on the Marketing Promotion of Securities including Advertisement, Brochure, or other Communication to the Public (“Rule IX.A.9”).

Research guidelines will need to be prepared by international and local counsel on individual deals and complied with by the syndicate in order to ensure that global research policies as well as local promotion rules e.g. Rule IX.A.9 are complied with.

8.2.6. Equity IPO Timeframe

IPO timeframe is 10 working days. The registration procedure for an IPO under the regulation is as follows.

Action	Deadline
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Submission of registration statement to Bapepam	
Publication of abridged prospectus in at least one daily national newspaper (initial prospectus/information memorandum for the purpose of book-building may be distributed after publication)	Within two working days of submission of the registration statement to Bapepam
Submission of copy of publication of abridged prospectus to Bapepam	Within two working days of publication of abridged prospectus in the newspaper
Registration statement becomes effective	Forty-five days after the submission date of the registration statement or the last changes made to the registration statement or fulfilment of Bapepam's request, unless declared effective by Bapepam before this 45-day period has expired
<ul style="list-style-type: none"> • Last day for making the prospectus available to the public or prospective investors • Announcement in at least one daily newspaper of revisions and/or additional information to the abridged prospectus 	Within two working days of the effective date of the registration statement
Submission of copy of the publication of revisions and/or additions to the abridged prospectus to Bapepam	Within two working days of publication in the newspaper of revisions and/or additions to the abridged prospectus
Offer period	At least three working days
Allocation date	No more than two working days
<ul style="list-style-type: none"> • Last date for refund of payment • Last date for distribution of securities 	No more than two working days after allocation date
<ul style="list-style-type: none"> • Last date for listing 	No more than three working days after allocation date

<ul style="list-style-type: none"> • Last date for reporting to Bapepam on the result of the offer 	
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Registration of Rights Issues

Registration and process time period are as follows.

Action	Deadline
<ul style="list-style-type: none"> • Submission of registration statement to Bapepam • Publication of information on the rights issue in at least one daily national newspaper • Prospectus made available to shareholders 	At least 28 days prior to the general meeting of shareholders
Submission of copy of publication of information on rights issue to Bapepam	Within two working days of publication of in the newspaper
Announcement in at least one daily newspaper of revisions and/or additions to the information on the rights issue	At least two days prior to the general meeting of shareholders
<ul style="list-style-type: none"> • General meeting of shareholders • Registration statement is declared effective 	
Recording date	Eight working days after general shareholders meeting
Distribution of evidence of rights	At least one working day after recording date
Trading and exercise of rights period	Between five and 30 days after the distribution date
Issuance of new securities	Within two working days of the exercise of the rights
Payment for additional securities ordered	Within two working days of the end of the trading period
Allocation for additional securities	One working day after the date of payment for additional securities

Refund of payment for additional securities ordered

Within two working days of the allocation date

Relevant policies and guidance:

[CAPMARKETLAW.pdf](#)

[VF1 Code of Conduct as Underwriter.pdf](#)

[IXA7 Allotment in IPO.pdf](#)

[IXA9 Promotion & Marketing.pdf](#)

9. Research

9.1. Global and Regional Requirements

The Research Manuals set forth the minimum standards of conduct that Research employees in Asia Pacific have to follow regarding the preparation, content, distribution, and retention of equity, credit and Asia markets research, as well as communications with other JPMC employees and third parties relating to research. The Manuals form part of this Indonesia Compliance Manual and Research employees are expected to be familiar with and follow the requirements set forth in the applicable Research Manuals.

Relevant policies and guidance:

[Equity Research Policies and Procedures Manual for Asia Pacific ex Japan and ex Australia](#)

9.2. Country Requirements – Indonesia

There are no LOB specific regulations governing research activities in Indonesia at this point. Staff should follow the Core Compliance - Country requirements set forth in section 6 of this Manual.

10. Document Information

Primary Risk Category	Corporate Governance / Compliance Program		
Manual Owner / Primary Contact / Secondary Contact	Rudy Kusumo	Rudy Kusumo	Weiyang Tang
Manual Owner's Function or Line of Business/Region/Country	Asia Compliance		
Manual Approver	Rudy Kusumo		