

MEMORANDUM OF UNDERSTANDING

BETWEEN

SECURITIES COMMISSION OF NEW ZEALAND

AND

**THE INDONESIAN CAPITAL MARKET SUPERVISORY AGENCY
(*BAPEPAM*)**

**IN RELATION TO
MUTUAL ASSISTANCE AND EXCHANGE OF INFORMATION**

Wellington, New Zealand

February 20, 2004

INTRODUCTION

1. The Securities Commission of New Zealand (hereinafter referred to as "Securities Commission") is established as a body corporate by section 9 of the Securities Act 1978. The Securities Commission is responsible for keeping under review practices relating to securities and for exercising securities jurisdiction in particular cases. The Securities Commission has powers to obtain evidence on behalf of overseas securities commissions or similar bodies under section 10(ca) and 69F of the Securities Act 1978.
2. The Indonesian Capital Market Supervisory Agency (hereinafter referred to as "BAPEPAM") was established under Law Number 8 of 1995 concerning Capital Market. The BAPEPAM is responsible for the administration and enforcement of the Capital Market Law, Government Regulations, Decrees of the Minister of Finance, and Rules and Circulars of the BAPEPAM that are provided for the activities of capital market participants.
3. In this Memorandum of Understanding (hereinafter referred to as the "MOU"), the "Authorities" in New Zealand and Indonesia mean the Securities Commission and BAPEPAM respectively.
4. The Securities Commission and BAPEPAM, recognizing the increasing international activities in the securities, derivatives, and other related investment products in the capital markets that are recognized, regulated, or supervised by the Authorities and the corresponding need for mutual cooperation between the relevant authorities, after friendly consultation, have reached the following understanding.

I. PRINCIPLES

1. The purpose of this MOU is to promote investor protection and integrity of the securities, derivatives, and other related investment products in the capital markets that are recognized, regulated, or supervised by the Authorities by providing a framework for cooperation and increased mutual understanding, including channels of communication, and the exchange of regulatory and technical information to the extent permitted by the laws and practices of New Zealand and Indonesia.
2. This MOU serves as a basis of cooperation for the Authorities and does not create any binding international legal obligations, nor does it modify or supersede any laws, regulations or regulatory requirements in force or applying in New Zealand or in Indonesia. The MOU does not create any rights enforceable by third parties, nor does it affect any arrangements under other MOUs.
3. The performance of the provisions of this MOU shall be consistent with domestic laws, regulations and conventions of the respective countries of the Authorities and within the availability of respective resources of the Authorities, and shall not be contrary to the public interests of the country of the requested Authority.

4. To the extent permitted by its domestic laws and regulations, each Authority will use reasonable efforts to provide the other Authority with any relevant information that is discovered which gives rise to a breach, or anticipated breach of the regulatory requirements or laws in the securities, derivatives, and other related investment products in the capital markets that are recognized, regulated, or supervised by the Authorities.

II SCOPE

The Authorities agree to promote mutual assistance and the exchange of information to assist them to perform their respective functions in relation to the following areas:

- a) The duties of issuers and offerors of securities to make full and fair disclosure of information relevant to investors;
- b) The enforcement of the laws and rules relating to the issuing of, dealing in, arranging deals in, managing and advising on securities, derivatives and other investment products in the capital markets that are recognized, regulated, or supervised by the Authorities;
- c) Promoting and securing the fitness and properness of brokers/ dealers, investment managers, underwriters, and advisers in securities, derivatives, and other investment products in the capital markets that are recognized, regulated, or supervised by the Authorities, and promoting high standards of fair dealing and integrity in the conduct of business of these institutions and professionals;
- d) Supervising and monitoring the trading, clearing and settlement, and other activities of securities, derivatives and other investment products in the capital markets that are recognized, regulated, or supervised by the Authorities; and their compliance with relevant laws and regulations;
- e) Detecting market manipulation, insider trading, and other deceptive and fraudulent practices concerning securities issuing, the activities of listed companies, and trading of securities, derivatives and other investment products in the capital market that are recognized, regulated, or supervised by the Authorities;
- f) The disclosure of interests in the securities of issuers;
- g) Other matters agreed upon by the Authorities.

III. REQUESTS AND EXECUTION

1. Requests will be made in writing and addressed to the contact persons listed in Appendix A. In urgent cases, request may be made in summary form to be followed by a full request within 10 business days.
2. A request should specify:
 - a) The information requested;

- b) A description of the conduct or suspected conduct which gives rise to the request;
 - c) The purpose for which the information is sought (including details of the laws or regulatory requirements pertaining to the matter which is the subject of the request);
 - d) The link between the specified laws or regulations and the regulatory functions of the requesting Authority;
 - e) The persons or entities suspected by the requesting Authority to possess the information sought, or the place where such information may be obtained, if the requesting Authority has this knowledge;
 - f) To whom, if anyone, to the extent permitted by the provisions of Chapter II, onward disclosure of information is likely to be necessary and the reason for such disclosure;
 - g) The desired time period for the reply.
3. The requested Authority will deal with the request in a reasonable time.
 4. Each request will be assessed by the requested Authority to determine whether the information can be provided under the terms of this MOU. In any case where the request cannot be accepted completely, the requested Authority will consider whether there may be any relevant information which can be given.
 5. In deciding whether to accept or decline a request, the requested Authority will consider:
 - a) whether the request relates to the breach of laws or regulations which falls within the scope of the requested Authority;
 - b) whether broadly equivalent assistance would be available from the requesting Authority;
 - c) whether the request involves an assertion of a jurisdiction not recognized by the requested Authority;
 - d) whether it would be contrary to the public interest of the requested Authority;
 - e) whether a criminal proceeding has already been initiated in the country of the requested Authority based upon the same fact and against the same persons or the same persons have already been finally dealt with on the same charges by the competent Authorities of the requested Authority.
 6. Any document or other materials provided in response to a request under this MOU and any copies thereof must be returned to the requested Authority on request.
 7. Where one Authority has information which will assist the other Authority in the performance of its regulatory functions, the former may provide such information on a voluntary basis.
 8. The MOU does not affect the ability of the Authorities to obtain information from

persons on a voluntary basis, provided that any procedures in place for the obtaining of such information are observed.

IV. PERMISSIBLE USE AND CONFIDENTIALITY

1. Assistance or information will be provided by the Authorities only for the purposes of assisting the other party to this MOU in the performance of its regulatory functions. Each Authority will keep confidential to the extent required by law any request of information under this MOU as well as any matter arising in the course of its operation. Any information or assistance provided under the MOU will not be disclosed by the recipient to any third parties without the prior consent of the Authority providing the assistance or information, unless the third party concerned is covered by similar confidentiality requirements.
2. When disclosing the information obtained pursuant to this MOU to any third parties, the requesting Authority will obtain an undertaking from the third parties to keep the information confidential, subject to any legally enforceable demand to disclose the information.
3. If either Authority becomes aware that the information passed under this MOU may be subject to a legally enforceable demand to disclose, it will, to the extent permitted by law, inform the other Authority of this situation. The Authorities will then discuss and determine the appropriate courses of action.

V. CONSULTATION

1. The Authorities will consult in the event of a dispute over the meaning of any term used in this MOU.
2. The Authorities may consult, at any time, about a request or proposed request.
3. The Authorities may consult and revise the terms of the MOU in the event of a substantial change in the laws, regulations or practices affecting the operation of the MOU.
4. To improve the cooperation under this MOU, the Authorities will conduct consultations and discussions on the implementation of the MOU periodically or when necessary.

VI. CONTACT PERSONS

All communications between the Authorities should be between the principal points of contact as set out in Appendix A, unless otherwise agreed. Appendix A may be amended by written notice from either Authority without the need for resigning this MOU.

VII. ENTRY INTO EFFECT

This MOU will be effective from the date of its signing.

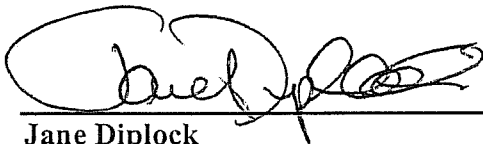
VIII. TERMINATION

This MOU may be terminated by either Authority by giving prior thirty days' written notice to the other Authority. This MOU will continue to have effect with respect to all requests for assistance that are made before the effective date of termination.

IN WITNESS WHEREOF, the Undersigned, for and on behalf and by authority of their respective agencies have signed this Memorandum of Understanding.

SIGNED this 20th day of February 2004 in Wellington, New Zealand.

FOR SECURITIES COMMISSION OF
NEW ZEALAND



Jane Diplock
Chairman

FOR INDONESIAN CAPITAL MARKET
SUPERVISORY AGENCY



Herwidayatmo
Chairman



APPENDIX A

CONTACT PERSONS

SECURITIES COMMISSION OF NEW ZEALAND

Norman F. Miller
Director of Enforcement
Securities Commission
Level 8, Unisys House
56 The Terrace
P.O Box 1179
Wellington
New Zealand
Phone: (64 4) 472 9830
Fax: (64 4) 472 8076
Email: norman.miller@sec-com.govt.nz

INDONESIAN CAPITAL MARKET SUPERVISORY AGENCY

Director of Enforcement
Capital Market Supervisory Agency (Bapepam)
Jl Dr. Wahidin No. 1
Jakarta 10710
Indonesia
Phone/Fax No: (62 -21) 385 7821
Email: a_bastari@bapepam.go.id

Head of International Affairs
Capital Market Supervisory Agency (Bapepam)
Jl. Dr. Wahidin No. 1
Jakarta 10710
Indonesia
Phone/Fax No: (62-21) 34834632
E-mail: indra@bapepam.go.id