

REGULATION OF THE FINANCIAL SERVICES AUTHORITY
OF THE REPUBLIC OF INDONESIA
NUMBER 18 OF 2023
CONCERNING
ISSUANCE AND REQUIREMENTS OF SUSTAINABILITY-RELATED
DEBT SECURITIES AND SUKUK

BY THE BLESSINGS OF ALMIGHTY GOD

BOARD OF COMMISSIONERS OF THE FINANCIAL SERVICES AUTHORITY,

- Considering
- a. that to realize sustainable development that is able to maintain economic stability, it is needed a national economic system that prioritizes harmony between sustainable economic, environmental, and social aspects;
 - b. that the sustainable finance roadmap in Indonesia, which has been issued by the Financial Services Authority, needs to be followed up by issuing regulations that can develop the capital market industry and maintain the sustainability of the environmental and social impacts;
 - c. that in the Indonesian capital market roadmap, which has been issued by the Financial Services Authority, it has been outlined action plans regarding the development of sustainable finance in the capital market sector, one of them is through the development of sustainability-related instruments;
 - d. that to encourage the development of sustainability-related debt securities, it is necessary to revoke the Financial Services Authority Regulation Number 60/POJK.04/2017 concerning the Issuance and Requirements of Green Bonds;
 - e. that based on the considerations as referred in letter a, b, c and d, it is necessary to stipulate the Financial Services Authority Regulation concerning the Issuance and Requirements of Sustainability-Related Debt Securities and Sukuk;

- Observing : 1. Law Number 8 of 1995 concerning Capital Markets (State Gazette of the Republic of Indonesia of 1995 Number 64, Supplement to State Gazette of the Republic of Indonesia Number 3608) as amended by Law Number 4 of 2023 concerning Development and Strengthening of the Financial Sector (State Gazette of the Republic of Indonesia of 2023 Number 4, Supplement to the State Gazette of the Republic of Indonesia Number 6845);
2. Law Number 21 of 2011 concerning the Financial Services Authority (State Gazette of the Republic of Indonesia of 2011 Number 111, Supplement to the State Gazette of the Republic of Indonesia Number 5253) as amended by Law Number 4 of 2023 concerning Development and Strengthening of the Financial Sector (State Gazette of the Republic of Indonesia of 2023 Number 4, Supplement to the State Gazette of the Republic of Indonesia Number 6845);
3. Law Number 4 of 2023 concerning Development and Strengthening of the Financial Sector (State Gazette of the Republic of Indonesia of 2023 Number 4, Supplement to State Gazette of the Republic of Indonesia Number 6845);

HAS DECIDED:

To Issue : REGULATION OF THE FINANCIAL SERVICES AUTHORITY CONCERNING THE ISSUANCE AND REQUIREMENTS OF SUSTAINABILITY-RELATED DEBT SECURITIES AND SUKUK.

CHAPTER I
GENERAL PROVISIONS

Article 1

In this Financial Services Authority Regulation, that is meant by:

1. Securities is securities or investment contracts both in conventional and digital forms or other forms in accordance with technological developments that give the rights to their owners directly or indirectly obtaining economic benefits from the issuers or certain parties under the agreement and any derivatives to the securities, which is transferable and/or tradable in the capital market.
2. Sukuk is Sharia securities in the form of certificates or proof of ownership that have the same value and represent an inseparable or undivided share (*syuyu*) of the underlying assets.
3. Green Bonds and/or Sukuk are debt securities and/or Sukuk where the proceeds are used for financing or refinancing environmental business activities.
4. Social Bonds and/or Sukuk are debt securities and/or Sukuk where the proceeds are used for financing or refinancing social business activities.

5. Sustainability Bonds and/or Sukuk are debt securities and/or Sukuk where the proceeds are used for financing or refinancing environmental business activities and social business activities.
6. Sukuk-linked Waqf (Waqf Sukuk) is Sukuk whose proceeds are used for financing or refinancing activities/projects which are aimed to optimize the benefits of waqf assets.
7. Sustainability-linked Bond and/or Sukuk are debt securities and/or Sukuk which is issued by linking to the achievement of certain sustainability key performance indicators.
8. Waqf assets are assets that are the object of waqf (*mawquf*) which are handed over by the waqf giver (*wakif*) to the waqf asset manager (*nazhir*).
9. Benefits of Waqf Assets are benefits from the management and development of Waqf Assets.
10. Environmental Business Activities, hereinafter abbreviated as KUBL, are business activities and/or other activities which aim to protect, restore and/or improve the quality or function of the environment.
11. Social Business Activities, hereinafter abbreviated as KUBS, are business activities and/or other activities which aim to overcome or mitigate social problems and/or provide benefits to the target population.
12. Sustainability Key Performance Indicator, hereinafter abbreviated as Sustainability KPI, is main indicator used to measure the performance of the selected sustainability activities achievement.
13. Sustainability performance targets, hereinafter abbreviated as SPT, are the stages of Sustainability KPI achievement as Issuer's or Issuing Party's commitment which can be measured within a predetermined time target.
14. Public Offering is a Securities offering activity carried out by the issuer to sell Securities to the public based on the procedures regulated in the Law regarding the development and strengthening of the financial sector and its implementing regulations.
15. Registration Statement is a set of document that must be submitted to the Financial Services Authority by the issuer in the context of a Public Offering or public company.
16. Parties are natural persons, legal entities, companies, mutual companies, associations, or organized groups.
17. External Review Provider is a Party that has competence or expertise to conduct a review of the sustainability aspects of sustainability-related debt Securities and/or Sukuk.
18. Issuer is the Party conducting the Public Offering.
19. Issuing Party is the Party that issues debt securities and/or Sukuk without Public Offering.
20. Trustee is the Party who represents the interests of debt securities and/or Sukuk holders.
21. Monitoring Agent is the Party that monitors the Issuing Party's obligations of the Debt Securities and/or Sukuk without Public Offering from the issuance until their maturities.
22. Sharia Supervisory Board is the board that is responsible for providing advice and suggestions as well as supervising the fulfillment of

Shariah principles in the capital market for the parties that are carrying out Sharia-compliant activities in the capital market.

23. Sharia Expert Team is the team that is responsible for Sharia compliance of Sharia products or services in the capital market launched or issued by the parties that are carrying out Sharia-compliant activities in the capital market.
24. Prospectus is a written document containing information of the Issuer and other information relating to the Public Offering for the purpose of encouraging other parties to purchase Securities.
25. Information Memorandum is a written document for the issuance of debt securities and/or Sukuk (Bonds and/or Sukuk) without Public Offering which contains detailed information or material facts regarding the issuance of Bonds and/or Sukuk without Public Offering and information and/or explanation that may influence investors' decisions, which are known or deserve to be known by the Issuing Party.

Article 2

This Financial Services Authority Regulation applies to the issuance of sustainability-related debt securities and/or Sukuk that is carried out through:

- a. Public Offering; or
- b. Issuance without Public Offering of Securities with a maturity of more than 1 (one) year.

Article 3

- (1) Issuer is required to follow the provisions of laws and regulations in the capital markets sector regarding:
 - a. Registration Statement;
 - b. Public Offering of Debt Securities and/or Sukuk; and
 - c. other related regulations,unless specifically stipulated in this Financial Services Authority Regulation.
- (2) Issuing Party is required to follow the provisions of laws and regulations in the capital markets sector regarding the Issuance of Debt Securities and/or Sukuk that is carried out without Public Offering and other related regulations, unless specifically stipulated in this Financial Services Authority Regulation.

Article 4

Sustainability-related Debt securities and/or Sukuk can be in the form of:

- a. Green Bonds and/or Sukuk;
- b. Social Bonds and/or Sukuk;
- c. Sustainability Bonds and/or Sukuk;
- d. Sukuk Waqf;
- e. Sustainability-linked Bonds and/or Sukuk; and
- f. Other sustainability-related Debt securities and/or other Sukuk stipulated by the Financial Services Authority.

ISSUANCE OF GREEN BONDS AND/OR SUKUK, SOCIAL BONDS
AND/OR SUKUK, SUSTAINABILITY BONDS AND/OR SUKUK, AND
SUKUK WAQF

Part One
Issuance Requirements

Article 5

- (1) Issuance of Green Bonds and/or Sukuk, Social Bonds and/or Sukuk, Sustainability Bonds and/or Sukuk, and/or Sukuk Waqf must fulfill 4 (four) main components, the least:
 - a. use of proceeds;
 - b. evaluation process and selection of activities financed from the proceeds;
 - c. management of proceeds; and
 - d. reporting.
- (2) The Issuer or Issuing Party must include the 4 (four) main components, as referred to in paragraph (1), in the issuance policy framework of Green Bonds and/or Sukuk, Social Bonds and/or Sukuk, Sustainability Bonds and/or Sukuk, and/or Sukuk Waqf.
- (3) Information provided in the issuance policy framework, as referred to in paragraph (2), must comply with the provisions as stipulated in this Financial Services Authority Regulation.

Article 6

- (1) The use of proceeds, as referred to in Article 5 paragraph (1) letter a, can only be used for financing and/or refinancing, either directly or indirectly, for:
 - a. KUBL in the issuance of Green Bonds and/or Sukuk;
 - b. KUBS in the issuance of Social Bonds and/or Sukuk;
 - c. KUBL and KUBS in the issuance of Sustainability Bonds and/or Sukuk; and/or
 - d. activities/projects to optimize the Benefits of Waqf Assets in the issuance of Sukuk Waqf.
- (2) KUBL and/or KUBS, as referred to in paragraph (1), can be in the form of:
 - a. new business activities and/or other activities;
 - b. ongoing business activities and/or other activities; or
 - c. business activities and/or other activities that have been completed.
- (3) Activities/projects to optimize the Benefits of Waqf Assets, as referred to in paragraph (1) letter d, can be in the form of:
 - a. new activities/projects;
 - b. ongoing activities/projects; or
 - c. completed activities/projects.

Article 7

The underlying assets for the issuance of Sukuk Waqf can be the benefits of Waqf Assets, or business activities or projects on Waqf Assets.

Article 8

KUBL that can be financed, as referred to in Article 6 paragraph (1) letter a and c, is in the form of business activities and/or other activities related to:

- a. renewable energy;
- b. energy efficiency;
- c. pollution prevention and control;
- d. management of biological natural resources and sustainable land use;
- e. conservation of terrestrial and aquatic biodiversity;
- f. clean transportation;
- g. sustainable water and wastewater management;
- h. climate change adaptation;
- i. products that can reduce use of resources and produce less pollution;
- j. green building that meets the standards or certifications recognized nationally, regionally, or internationally; and/or
- k. other environmental business activities and/or other activities.

Article 9

- (1) KUBS that can be financed, as referred to in Article 6 paragraph (1) letter b and c, is in the form of business activities and/or other activities related to:
 - a. affordable basic infrastructure services both in terms of access and price;
 - b. access to essential services;
 - c. affordable housing;
 - d. job creation, and programs designed to prevent and/or reduce unemployment, including small and medium enterprise financing and micro financing;
 - e. food security and sustainable food systems;
 - f. socio-economic improvement and empowerment; and/or
 - g. other social business activities and/or other activities.
- (2) KUBS, as referred to in paragraph (1), is intended to overcome or mitigate social problems and/or to provide benefits to the target population.

Article 10

In carrying out the evaluation and selection process for activities financed from the issuance proceeds, as referred to in Article 5 paragraph (1) letter b, the Issuer or Issuing Party must determine:

- a. internal process for evaluating and selecting KUBL and/or KUBS that can be financed; and
- b. the application of processes and methods for identifying and managing potential material environmental and social risks related to business activities and/or other activities.

Article 11

- (1) In managing proceeds resulting from the issuance, as referred to in Article 5 paragraph (1) letter c, the Issuer or Issuing Party is obliged to ensure the management of proceeds resulting from the issuance of Green Bonds and/or Sukuk, Social Bonds and/or Sukuk, Sustainability Bonds and/or Sukuk, and Sukuk Waqf for the purposes

as referred to in Article 6 is separate, at least through a special account at the bank it is used.

- (2) In the event that the Securities issuance is in the form of Sukuk, the special account, as referred to in paragraph (1), is obliged to be a special account at a Sharia bank.

Article 12

- (1) Reporting, as referred to in Article 5 paragraph (1) letter d, is carried out through reports containing periodic information provided by the Issuer or Issuing Party after the issuance of Green Bonds and/or Sukuk, Social Bonds and/or Sukuk, Sustainability Bonds and/or Sukuk, and/or Sukuk Waqf.
- (2) The Issuer or Issuing Party must establish policies and/or mechanisms for providing information, as referred to in paragraph (1), within its issuance policy framework.

Article 13

Issuer or Issuing Party that issues Green Bonds and/or Sukuk, Social Bonds and/or Sukuk, and Sustainability Bonds and/or Sukuk must obtain review results from an External Review Provider stating that:

- a. the underlying business activities and/or other activities of the issuance Securities are beneficial for the environment and/or to overcome or mitigate social problems and/or provide benefits to the target population; and
- b. the issuance policy framework, as referred to in Article 5 paragraph (2), is adequate and credible.

Article 14

Issuer or Issuing Party that issues Sukuk Waqf must obtain review results from an independent Party stating that:

- a. The issuance of Sukuk Waqf does not conflict with waqf provisions as regulated in statutory regulations;
- b. activities/projects financed by the issuance of Sukuk Waqf are for the purpose of optimizing the Benefits of Waqf Assets and providing increased Benefits of Waqf Assets for waqf beneficiaries (*mauquf alaih*); and
- c. the issuance policy framework, as referred to in Article 5 paragraph (2), is adequate and credible.

Part Two

Registration Statement Documents and Issuance Documents Without a Public Offering

Article 15

Registration Statement Documents for a Public Offering or issuance documents without a Public Offering for Green Bonds and/or Sukuk, Social Bonds and/or Sukuk and Sustainability Bonds and/or Sukuk must be accompanied by additional documents in the form of:

- a. a statement of commitment of the Issuer or Issuing Party to use the proceeds from the Public Offering or issuance without a Public Offering of Green Bonds and/or Sukuk, Social Bonds and/or Sukuk and

- Sustainability Bonds and/or Sukukon KUBL and/or KUBS in accordance with format 1 as listed in the Appendix which is an inseparable part of this Financial Services Authority Regulation;
- b. issuance policy framework of Green Bonds and/or Sukuk, Social Bonds and/or Sukuk, and/or Sustainability Bonds and/or Sukuk, as referred to in Article 5 paragraph (2);
 - c. review results from the External Review Provider, as referred to in Article 13; and
 - d. proof of the competency or expertise of the External Review Provider.

Article 16

The Registration Statement documents for a Public Offering or issuance documents without a Public Offering of Sukuk Waqf must be accompanied by additional documents in the form of:

- a. a statement of commitment from the Issuer or Issuing Party to use the proceeds from a Public Offering or issuance without a Public Offering of Sukuk Waqf for activities/projects to optimize the Benefits of Waqf Assets in accordance with format 2 as listed in the Appendix which is an inseparable part of this Financial Services Authority Regulation;
- b. issuance policy framework of Sukuk Waqf, as referred to in Article 5 paragraph (2);
- c. review results from an independent Party, as referred to in Article 14;
- d. proof of Nazhir registration or Nazhir validation certificate issued by the authorized institution;
- e. proof of Nazhir competency certification issued by a professional certification body; and
- f. copy of the waqf pledge deed on Waqf Assets that becomes the underlying basis for the issuance of Sukuk Waqf.

Part Three

Prospectus and Issuance Information Memorandum

Article 17

The Green Bonds and/or Sukuk, Social Bonds and/or Sukuk, or Sustainability Bonds and/or Sukuk Prospectus or Information Memorandum must disclose additional information in a separate chapter containing:

- a. a description of the KUBL and/or KUBS being financed with proceeds from the issuance, which includes the least:
 - 1. type of KUBL and/or KUBS; and
 - 2. target benefits of KUBL for the environment or target benefits of KUBS to mitigate social problems and/or for the target population that will be attained,
- b. summary of the issuance policy framework of Green Bonds and/or Sukuk, Social Bonds and/or Sukuk, and/or Sustainability Bonds and/or Sukuk, as referred to in Article 5 paragraph (2); and
- c. summary of review results from the External Review Provider, as referred to in Article 13.

Article 18

The Prospectus or Information Memorandum for Sukuk Waqf issuance must disclose additional information in a separate chapter containing:

- a. a description of the activities/projects that are carried out to optimize the benefits of the Waqf Assets being financed, containing the least:
 1. types of activities/projects financed by the issuance of Sukuk Waqf;
 2. Benefits of Waqf Assets that will be achieved from the aforesaid activities/projects; and
 3. target beneficiaries of Waqf Assets from the aforesaid activities/projects;
- b. a description of the Benefits of Waqf Assets, or business activities or projects on Waqf Assets that become an underlying basis for the issuance of Sukuk Waqf;
- c. summary of review results from an independent Party, as referred to in Article 14; and
- d. information regarding Nazhir who manages Waqf Assets or Benefits of Waqf Assets, or business activities or projects on Waqf Assets, as referred to in letter b, contains the least:
 1. name of the Nazhir;
 2. address;
 3. Nazhir registration or validation number; and
 4. competency certification held by the Nazhir.

Part Four

Change in the Use of Proceeds from Issuance

Article 19

- (1) The Issuer that changes the use of proceeds from the Public Offering of Green Bonds and/or Sukuk, Social Bonds and/or Sukuk, and/or Sustainability Bonds and/or Sukukis required to comply with the provisions in the Financial Services Authority Regulations concerning reports on the realization of the use of proceeds from the Public Offering.
- (2) Change in the use of proceeds from the Public Offering, as referred to in paragraph (1), can only be made to KUBL and/or KUBS in accordance with the purpose or theme of the issuance.
- (3) Change in the use of proceeds from the Public Offering, as referred to in paragraph (1), is obliged to be accompanied by the review results from the External Review Provider.
- (4) Plan for change in the use of proceeds from the Public Offering, as referred to in paragraph (1), and the review results from the External Review Provider, as referred to in paragraph (3), are required to be submitted to the Financial Services Authority no later than 14 (fourteen) days prior the holding of the general meeting of holders of the Green Bonds and/or Sukuk, Social Bonds and/or Sukuk, and/or Sustainability Bonds and/or Sukuk.

Article 20

- (1) The Issuing Party that changes the use of proceeds from the issuance of Green Bonds and/or Sukuk, Social Bonds and/or Sukuk, and/or

Sustainability Bonds and/or Sukuk without a Public Offering is required to comply with the provisions in the Financial Services Authority Regulations concerning the Issuance of debt securities and/or Sukuk without a Public Offering.

- (2) The change in the use of proceeds from the issuance of Green Bonds and/or Sukuk, Social Bonds and/or Sukuk, and/or Sustainability Bonds and/or Sukuk without a Public Offering, as referred to in paragraph (1), can only be made to KUBL and/or KUBS in accordance with the purpose or theme of the issuance.
- (3) The change in the use of proceeds from the issuance of Green Bonds and/or Sukuk, Social Bonds and/or Sukuk, and/or Sustainability Bonds and/or Sukuk without a Public Offering, as referred to in paragraph (1), is required to be accompanied by the review results from the External Review Provider.
- (4) The plan for change in the use of proceeds from the issuance of Green Bonds and/or Sukuk, Social Bonds and/or Sukuk, and/or Sustainability Bonds and/or Sukuk without a Public Offering, as referred to in paragraph (1), and the review results from the External Review Provider, as referred to in paragraph (3), are obliged to be submitted to the Financial Services Authority no later than 5 (five) business days after obtaining approval from the holders of Green Bonds and/or Sukuk, Social Bonds and/or Sukuk, and/or Sustainability Bonds and/or Sukuk.

Article 21

- (1) The Issuer that will make changes to the use of proceeds from the Public Offering of Sukuk Waqf is required to comply with the provisions in the Financial Services Authority Regulations concerning reports on the realization of the use of proceeds from the Public Offering.
- (2) The Issuing Party that makes changes to the use of proceeds from the issuance of Sukuk Waqf without a Public Offering is required to comply with the provisions in the Financial Services Authority Regulations concerning the Issuance of debt Securities and/or Sukuk without a Public Offering.
- (3) The change in the use of proceeds from the issuance of Sukuk Waqf, as referred to in paragraph (1) and paragraph (2), can only be made insofar as the change in the use of proceeds is for the purpose of activities/projects to optimize the Benefits of Waqf Assets.
- (4) In the case of activities/projects to optimize the Benefits of Waqf Assets are in the form of KUBL and/or KUBS, change in the use of proceeds from the Public Offering or issuance of Sukuk Waqf, as referred to in paragraph (1) and paragraph (2), can only be made to KUBL and/or KUBS according to the purpose or theme of the issuance.
- (5) The change in the use of proceeds from the Public Offering and the issuance of Sukuk Waqf, as referred to in paragraph (1) and paragraph (2), is obliged to be accompanied by the review results from an independent Party.
- (6) The plans for change in the use of proceeds from the Public Offering or issuance of Sukuk Waqf, as referred to in paragraph (1) and paragraph (2), and reviews from independent parties, as referred to in

paragraph (5), are required to be submitted to the Financial Services Authority no later than:

- a. 14 (fourteen) days prior to holding the general meeting of Sukuk Waqf holders, for the Sukuk Waqf Public Offering; or
- b. 5 (five) business days after obtaining approval from the Sukuk Waqf holders, for the issuance of Sukuk Waqf without a Public Offering.

Part Five
Reporting

Article 22

- (1) Issuer or Issuing Party that issues Green Bonds and/or Sukuk, Social Bonds and/or Sukuk, and/or Sustainability Bonds and/or Sukukis required to submit reports, as referred to in Article 12 paragraph (1) 1 (one) time in 1 (one) year.
- (2) The reports, as referred to in paragraph (1), contain information regarding the least:
 - a. the realization of the use of proceeds for the KUBL and/or KUBS that have been selected;
 - b. achievements in the realization of business activities and/or other activities;
 - c. change to the realization of business activities and/or other activities, if there are any changes; and
 - d. impact in the KUBL and/or KUBS being financed.
- (3) The reports, as referred to in paragraph (1), are required to obtain a review from an External Review Provider.
- (4) In the event that all proceeds from the issuance have been fully allocated, the report, as referred to in paragraph (2) letters a to letter c, is not required to receive a review, as referred to in paragraph (3).
- (5) The report, as referred to in paragraph (1), is obliged to be submitted by the Issuer to the Financial Services Authority by attaching it to the annual report.
- (6) Submission of the report, as referred to in paragraph (5), follows the the Issuer's annual report submission period to the Financial Services Authority.
- (7) In the event that between the effective date of the registration statement for the Green Bonds and/or Sukuk, Social Bonds and/or Sukuk and/or Sustainability Bonds and/or Sukuk offering until the end of the financial year there is a period of more than 6 (six) months, the initial report, as referred to in paragraph (1), is obliged to be attached to the nearest annual report.
- (8) The provisions, as referred to in paragraph (7), do not apply if the effective date of the registration statement for the Green Bonds and/or Sukuk, Social Bonds and/or Sukuk, and/or Sustainability Bonds and/or Sukuk offering until the end of the financial year has a period of less than 6 (six) months.
- (9) The first initial report, as referred to in paragraph (8), is obliged to be attached to the annual report no later than on the nearest annual report after the anniversary of the issuance of Green Bonds and/or

Sukuk, Social Bonds and/or Sukuk, and/or Sustainability Bonds and/or Sukuk.

- (10) The report, as referred to in paragraph (1), is obliged to be submitted by the Issuing Party with the following provisions:
 - a. is submitted to the Financial Services Authority no later than the end of the fourth month after the end of the financial year; and
 - b. is submitted to the Monitoring Agent for publication on the Monitoring Agent's website, if having a Monitoring Agent
- (11) The report, as referred to in paragraph (10), is initially submitted by the Issuing Party with the following provisions:
 - a. In the event that the Bonds and/or Sukuk registration date without a Public Offering in collective custody at a depository and settlement institution until the end of the Issuing Party's financial year has a period of more than 6 (six) months, it is obliged to be submitted no later than the end of the fourth month after the end of the financial year.
 - b. In the event that the date of Bonds and/or Sukuk registration without a Public Offering in collective custody at a depository and settlement institution until the end of the Issuing Party's financial year has a period of less than 6 (six) months, it is obliged to be submitted no later than the end of the fourth month after the end of the next financial year.
- (12) Submission of the report, as referred to in paragraph (1), is obliged to be carried out until the maturity date of the Green Bonds and/or Sukuk, Social Bonds and/or Sukuk, and/or Sustainability Bonds and/or Sukuk.

Article 23

- (1) The Issuer or Issuing Party that issues Sukuk Waqf is required to submit the report, as referred to in Article 12 paragraph (1), 1 (one) time in 1 (one) year with the following provisions:
 - a. for the Issuer, submission of reports is carried out in accordance with the provisions, as referred to in Article 22 paragraph (5) to paragraph (9); and
 - b. for the Issuing Party, submission of reports is carried out in accordance with the provisions, as referred to in Article 22 paragraph (10) and paragraph (11).
- (2) The report, as referred to in paragraph (1) contains the least:
 - a. realization of the use of proceeds for activities/projects carried out to optimize the Benefits of Waqf Assets;
 - b. achievement of realization of activities/projects;
 - c. changes to the realization of activities/projects, if there are any changes; and
 - d. benefits of activities/projects to optimize the benefits of Waqf Assets for recipients of Waqf Asset Benefits (*mauquf alaih*).
- (3) The report, as referred to in paragraph (1), is obliged to obtain an independent review.
- (4) In the event that all proceeds from the issuance have been fully allocated, the report, as referred to in paragraph (1), does not have to obtain a review, as referred to in paragraph (3).

- (5) Submission of the report, as referred to in paragraph (1), is mandatory until the maturity date of the Sukuk Waqf.

Part Six

Change in the Status of Green Bonds and/or Sukuk, Social Bonds and/or Sukuk, Sustainability Bonds and/or Sukuk, and Sukuk Waqf

Article 24

- (1) In the event that the review results from the External Review Provider, as referred to in Article 22 paragraph (3), state that the business activities and/or other activities being financed no longer meet the requirements as KUBL and/or KUBS, the Issuer or Issuing Party is obliged to prepare an action plan so that the business activities and/or other activities continue to fulfill the requirements as KUBL and/or KUBS.
- (2) The action plan, as referred to in paragraph (1), is obliged to be submitted to the Financial Services Authority no later than 14 (fourteen) business days after the report submission deadline, as referred to in Article 22 paragraph (6) and paragraph (10).
- (3) The implementation of the action plan, as referred to in paragraph (1), is obliged to be carried out no later than 1 (one) year after receipt of the action plan by the Financial Services Authority.

Article 25

- (1) In the event that the implementation of the action plan, as referred to in Article 24 paragraph (3) fails, Green Bonds and/or Sukuk, Social Bonds and/or Sukuk, and/or Sustainability Bonds and/or Sukuk will no longer be Green Bonds and/or Sukuk, Social Bonds and/or Sukuk, and/or Sustainability Bonds and/or Sukuk.
- (2) In the event that the conditions, as referred to in paragraph (1) occur, the Issuer is obliged to:
- a. submit information reports or material facts to the Financial Services Authority; and
 - b. announce to the public, as regulated in the Financial Services Authority Regulation regarding disclosure of material information or facts by Issuers or public companies.
- (3) In the event that the conditions, as referred to in paragraph (1) occur, the Issuer is obliged to submit a report no later than 2 (two) business day after the deadline for implementing the action plan, as referred to in Article 24 paragraph (3), expires to:
- a. the Financial Services Authority; and
 - b. Monitoring Agent, if having a Monitoring Agent.
- (4) The report submitted by the Issuing Party, as referred to in paragraph (3), is obliged to contain the least:
- a. date of occurrence; and
 - b. description or information on the conditions, as referred to in paragraph (1).

Article 26

- (1) In the event that conditions, as referred to in Article 25 paragraph (1) occur, the holders of the Green Bonds and/or Sukuk, Social Bonds

and/or Sukuk, and/or Sustainability Bonds and/or Sukuk may request the Issuer or Issuing Party to:

- a. repurchase the Securities; or
 - b. provide compensation in the form of an increase in coupons on the Securities.
- (2) Provisions regarding procedures for the Securities repurchase and providing compensation in the form of an increase in coupons for Securities, as referred to in paragraph (1), including the amount of an increase in coupon rates must be included in:
- a. trustee agreement for a Public Offering; or
 - b. the agreement relating to the interests of holders of Green Bonds and/or Sukuk, Social Bonds and/or Sukuk, and/or Sustainability Bonds and/or Sukuk for issuance without a Public Offering.
- (3) Requests for repurchase of Securities or provision of compensation in the form of increased coupons for Securities as referred to in paragraph (1) must be made through:
- a. Trustee for Public Offerings; or
 - b. Monitoring Agent for issuance without Public Offering.
- (4) In the event that the issuance of Green Bonds and/or Sukuk, Social Bonds and/or Sukuk, and/or Sustainability Bonds and/or Sukuk without a Public Offering does not have a Monitoring Agent, the request for repurchase or compensation, as referred to in paragraph (1), is submitted to the Issuer.
- (5) In the event that the holders of Green Bonds and/or Sukuk, Social Bonds and/or Sukuk, and/or Sustainability Bonds and/or Sukuk request the Issuer or Issuing Party to repurchase or provide compensation in the form of an increase in coupons for the Securities, as referred to in paragraph (1), the Issuer or Issuing Party is obliged to repurchase and/or provide compensation in the form of an increase in coupons for the aforesaid Securities.
- (6) Repurchase of Green Bonds and/or Sukuk, Social Bonds and/or Sukuk, and/or Sustainability Bonds and/or Sukuk by the Issuer or Issuing Party, as referred to in paragraph (1) letter a, is obliged to be carried out with the following provisions:
- a. Green Bonds and/or Sukuk, Social Bonds and/or Sukuk, and/or Sustainability Bonds and/or Sukuk that have been repurchased by the Issuer or Issuing Party, as referred to in paragraph (5), cannot be resold by the Issuer or Issuing Party;
 - b. the mechanism for determining the repurchase price is included in the trustee agreement or agreement relating to the interests of the holders of Green Bonds and/or Sukuk, Social Bonds and/or Sukuk, and/or Sustainability Bonds and/or Sukuk; and
 - c. The repurchase implementation is completed no later than 3 (three) months after the Trustee, Monitoring Agent, or holders of the Green Bonds and/or Sukuk, Social Bonds and/or Sukuk, and/or Sustainability Bonds and/or Sukuk submits a repurchase request.

Article 27

In carrying out the obligations, as referred to in Article 26 paragraph (5), the Issuer or Issuing Party may regulate in the trustee agreement or agreement relating to the interests of the holders of Green Bonds and/or

Sukuk, Social Bonds and/or Sukuk, and/or Sustainability Bonds and/or Sukuk regarding the Party acting as a guarantor.

Article 28

- (1) In the event that the results of the review from an independent Party, as referred to in Article 23 paragraph (3), state that the activities/projects being financed no longer meet the requirements as activities/projects to optimize the Benefits of Waqf Assets, the Issuer or Issuing Party is obliged to prepare an action plan so that the activities/projects continue to fulfill the requirements as an activity/project to optimize the Benefits of Waqf Assets.
- (2) The action plan, as referred to in paragraph (1), is obliged to be submitted to the Financial Services Authority no later than 14 (fourteen) business days after the report submission deadline, as referred to in Article 23 paragraph (1).
- (3) The implementation of the action plan, as referred to in paragraph (1), is obliged to be carried out no later than 1 (one) year after receipt of the action plan by the Financial Services Authority.

Article 29

- (1) In the event that the implementation of the action plan, as referred to in Article 28 paragraph (3) fails, the Sukuk Waqf will no longer be Sukuk Waqf.
- (2) In the event that the conditions, as referred to in paragraph (1) occur, the Issuer is obliged to:
 - a. submit information reports or material facts to the Financial Services Authority; and
 - b. announce to the public, as stipulated in the Financial Services Authority Regulation regarding disclosure of material information or facts by Issuers or public companies.
- (3) In the event that the conditions, as referred to in paragraph (1), occur, the Issuer is obliged to submit a report no later than 2 (two) business days after the deadline for implementing the action plan, as referred to in Article 28 paragraph (3) expires to:
 - a. the Authority Financial Services; and
 - b. Monitoring Agent, if having a Monitoring Agent.
- (4) The report submitted by the Issuing Party, as referred to in paragraph (3), is obliged to contain the least:
 - a. date of occurrence; and
 - b. description or information on the conditions, as referred to in paragraph (1).
- (5) In the event that the conditions, as referred to in paragraph (1) occur, the Issuer or Issuing Party of the Sukuk Waqf is obliged to repurchase the aforesaid Sukuk Waqf.
- (6) Provisions regarding procedures for the Sukuk Waqf repurchase, as referred to in paragraph (5), must be included in:
 - a. the trustee agreement for a Public Offering; or
 - b. agreement relating to the interests of holders of the Sukuk Waqf for the issuance without a Public Offering.

- (7) The repurchase of Sukuk Waqf by the Issuer or Issuing Party, as referred to in paragraph (5), is obliged to be carried out with the following provisions:
- a. Sukuk Waqf that have been repurchased by the Issuer or Issuing Party, as referred to in paragraph (5), cannot be resold by the Issuer or Issuing Party;
 - b. the mechanism for determining the repurchase price is included in the trustee agreement or agreement relating to the interests of the holders of the Sukuk Waqf; and
 - c. The repurchase implementation is completed no later than 3 (three) months after the Financial Services Authority receives a report from the Issuer or Issuing Party regarding the occurrence of the conditions, as referred to in paragraph (1).

Article 30

The Issuer or Issuing Party is exempted from the obligation to:

- a. repurchase or provide compensation in the form of an increase in coupons for Green Bonds and/or Sukuk, Social Bonds and/or Sukuk and/or Sustainability Bonds and/or Sukuk, as referred to in Article 26 paragraph (5); and/or
- b. repurchase the Sukuk Waqf, as referred to in Article 29 paragraph (5), in the event that the conditions, as referred to in Article 25 paragraph (1) and Article 29 paragraph (1), are caused by a situation beyond the ability and control of the Issuer or Issuing Party, which includes:
 - a. natural disasters, war, riots, fires, strikes that significantly affect the continuity of the Issuer's or Issuing Party's business; and/or
 - b. other events that have a significant impact on the business continuity of the Issuer or Issuing Party as stipulated by the Financial Services Authority.

CHAPTER III

THE ISSUANCE OF SUSTAINABILITY-LINKED BONDS AND/OR SUKUK

Part One

Issuance Requirements

Article 31

- (1) The issuance of Sustainability-linked Bonds and/or Sukukis used for the general purposes of the Issuer or Issuing Party.
- (2) Issuance, as referred to in paragraph (1), is obliged to be linked to the Sustainability KPI determined by the Issuer or Issuing Party.

Article 32

- (1) The Issuance of the Sustainability-linked Bonds and/or Sukuk must fulfill the main components of the least:
 - a. determination of the Sustainability KPI;
 - b. The SPT calibration of the Sustainability KPI;
 - c. characteristics of the Sustainability-linked Bonds and/or Sukuk;
 - d. verification; and
 - e. reporting.

- (2) The Issuer or Issuing Party must include the 5 (five) main components, as referred to in paragraph (1) in the Sustainability-linked Bonds and/or Sukuk issuance policy framework.
- (3) Information contained in the issuance policy framework, as referred to in paragraph (1), must comply with the provisions as stipulated in this Financial Services Authority Regulation.

Part Two

Main Components of the Sustainability-linked Bonds and/or Sukuk Issuance

Paragraph 1

Determination of Sustainability KPI

Article 33

- (1) Determination of Sustainability KPI, as referred to in Article 32 paragraph (1) letter a, must:
 - a. be relevant, core and material, and strategic for the current and/or future business activities of the Issuer or Issuing Party;
 - b. can be measured or quantified with a consistent methodology;
 - c. comparable; and
 - d. can be proven and justified.
- (2) Sustainability KPI, as referred to in paragraph (1), must be clearly defined and include:
 - a. applicable scope; and
 - b. calculation methodology.
- (3) Sustainability KPI, as referred to in paragraph (1), can be aligned with sustainable development goals.
- (4) In determining the Sustainability KPI, the Issuer or Issuing Party may determine 1 (one) or more KPI to be achieved.

Paragraph 2

The SPT Calibration of Sustainability KPI

Article 34

- (1) The SPT calibration for Sustainability KPI, as referred to in Article 32 paragraph (1) letter b, is carried out by determining the SPT for each Sustainability KPI, as referred to in Article 33.
- (2) The SPT determination, as referred to in paragraph (1), must meet the following requirements:
 - a. represent a significant increase in each Sustainability KPI and exceed the previous SPT's achievement;
 - b. can be compared with external benchmarks or references, if any;
 - c. consistent with the company's internal sustainability strategy, if any; and
 - d. have a clear target implementation time.
- (3) The SPT determination, as referred to in paragraph (1), must consider a benchmark approach of the least:
 - a. the performance of the Issuer or Issuing Party, which includes:

1. a track record of the selected sustainability KPI achievements for at least 3 (three) years, if possible; and
 2. future-oriented internal sustainability KPI guidelines;
 - b. the performance of the benchmark, which includes SPT's position relative to the benchmarking company and industry standards; and
 - c. scientific references to official national targets, regional or international, or to a recognized best technology or other references to determine relevant targets across environmental and social themes.
- (4) The Issuer or Issuing Party must disclose information regarding significant matters that can determine or influence the achievement of the determined SPT, as referred to in paragraph (1).

Paragraph 3

The Characteristics of the Sustainability-linked Bonds and/or Sukuk

Article 35

- (1) The characteristics of the Sustainability-linked Bonds and/or Sukuk, as referred to in Article 32 paragraph (1) letter c, must be adjusted to the achievement of the Sustainability KPI and SPT that have been determined by the Issuer or Issuing Party.
- (2) The adjustment to the characteristics of the Sustainability-linked Bonds and/or Sukuk, as referred to in paragraph (1), includes the least:
 - a. variations in the Sustainability-linked Bonds and/or Sukuk compensation and/or its characteristics; and
 - b. a related fallback mechanism if the SPT cannot be calculated or observed properly/satisfactorily.
- (3) Variations in compensation, as referred to in paragraph (2) letter a, must include:
 - a. providing compensation in the form of an increase in coupons for Sustainability-linked Bonds and/or Sukuk; and
 - b. The Sustainability-linked Bonds and/or Sukuk repurchase, due to failure to achieve the Sustainability KPI and SPT by the Issuer or Issuing Party.
- (4) The Issuer or Issuing Party must provide clear information regarding adjustments to the Bonds and/or Sukuk characteristics related to Sustainability as referred to in paragraph (1), paragraph (2), and paragraph (3).

Paragraph 4

Verification

Article 36

- Verification, as referred to in Article 32 paragraph (1) letter d, is a review that is carried out by the External Review Provider on the selection of the Sustainability KPI and determination of the SPT of the least:
- a. relevance and reliability of the selected Sustainability KPI;
 - b. SPT's rationality and level of ambition;
 - c. relevance and reliability of the benchmarks used; and

- d. credibility of the strategy for achieving Sustainability KPI.

Paragraph 5
Reporting

Article 37

- (1) Reporting, as referred to in Article 32 paragraph (1) letter e, is carried out through a report containing information on the achievement of the determined Sustainability KPI and SPT, that must be provided by the Issuer or Issuing Party 1 (one) time in 1 (one) year.
- (2) The Issuer or Issuing Party must determine the policies and/or mechanisms for providing information, as referred to in paragraph (1).

Part Three
A Review Obligation by the External Review Provider

Article 38

- (1) The Issuer or Issuing Party that issues Sustainability-linked Bonds and/or Sukuk as referred to in Article 4 letter e must obtain review results from the External Review Provider stating that:
 - a. the issuance policy framework as referred to in Article 32 paragraph (2) is adequate and credible;
 - b. The selected or prepared Sustainability KPI is relevant, measurable, and reliable;
 - c. the SPT for each Sustainability KPI has an adequate level of ambition and rationality;
 - d. the benchmarks and basis used are relevant and trustworthy; and
 - e. strategy to achieve a credible Sustainability KPI.
- (2) In the event that there is a change in the scope, the Sustainability KPI methodology or SPT's calibration after the issuance of the Sustainability-linked Bonds and/or Sukuk, the Issuer or Issuing Party is required to obtain a review from the External Review Provider as referred to in paragraph (1).

Part Four
Registration Statement Document or Issuance Document Without a
Public Offering

Article 39

The Registration Statement Document for the Sustainability-linked Bonds and/or Sukuk without a Public Offering must be accompanied by additional documents in the form of:

- a. a statement of commitment of the Issuer or Issuing Party to fulfill the Sustainability KPI that has been selected or prepared according to format 3 as listed in the Appendix which is an inseparable part of this Financial Services Authority Regulation;
- b. the issuance policy framework of Sustainability-linked Bonds and/or Sukuk as referred to in Article 32 paragraph (2);

- c. review results from the External Review Provider as referred to in Article 38 paragraph (1); and
- d. a proof of the competency or expertise of the External Review Provider.

Part Five
Prospectus and Issuance Information Memorandum

Article 40

The Prospectus or Information Memorandum of Sustainability-linked Bonds and/or Sukuk must disclose in a separate chapter regarding additional information in the form of:

- a. a policy framework summary for the issuance of Sustainability-linked Bonds and/or Sukuk, as referred to in Article 32 paragraph (2), which contains the least:
 - 1. information regarding Sustainability KPI, contains the least:
 - a) a clear definition of Sustainability KPI that includes the least:
 - 1) applicable scope; and
 - 2) calculation methodology.
 - b) the rationale and process for selecting Sustainability KPI, as well as its suitability with the Issuer's or Issuing Party's sustainability strategy; and
 - c) Sustainability KPI alignment with sustainable development goals.
 - 2. Information regarding SPT, contains the least:
 - a) strategic information that can influence SPT achievement;
 - b) description and definition of SPT;
 - c) the SPT foundation that has been determined, namely the SPT achievement target and consistency with the Issuer's or Issuing Party's overall strategic planning;
 - d) relevant benchmarking approaches;
 - e) the time for achieving the target, including the date/period of target observation, and the frequency of SPT;
 - f) if possible and considering competition and confidentiality, on how the Issuer or Issuing Party will achieve the SPT; and
 - g) other main factors outside the direct control of the Issuer or Issuing Party that may influence the achievement of the SPT.
 - 3. Bonds and/or Sukuk characteristics, containing the least:
 - a) variations in Sustainability-linked Bonds and/or Sukuk compensation and/or its characteristics; and
 - b) a related fallback mechanism if the SPT cannot be calculated or observed properly/satisfactorily.
- b. summary of the review results from the External Review Provider as referred to in Article 38 paragraph (1).

Part Six
Report

Article 41

- (1) The Issuer or Issuing Party that issues Sustainability-linked Bonds and/or Sukuk is required to submit a report as referred to in Article 37, containing the least:
 - a. the latest information regarding the achievement or performance of Sustainability KPI and SPT including related impacts and timing of events; and
 - b. other information that allows investors to monitor the achievement level of SPT.
- (2) The report as referred to in paragraph (1) is required to be reviewed by an External Review Provider.
- (3) The Issuer is required to submit the report, as referred to in paragraph (1) to the Financial Services Authority that is attached to the annual report.
- (4) Submission of the report, as referred to in paragraph (3), follows the Issuer's annual report submission period to the Financial Services Authority.
- (5) Submission of the report, as referred to in paragraph (1), for the first time is obliged to comply with the following provisions:
 - a. for the Issuer, to follow the provisions as referred to in Article 22 paragraph (7) to paragraph (9); and
 - b. for Issuing Party, to follow the provisions as referred to in Article 22 paragraph (11).
- (6) The issuer is obliged to submit the report as referred to in paragraph (1) with the following provisions:
 - a. submitted to the Financial Services Authority no later than the end of the fourth month after the end of the financial year; and
 - b. submitted to the Monitoring Agent for publication on the Monitoring Agent's website, if having a Monitoring Agent.
- (7) Submission of the report, as referred to in paragraph (1), is obliged to be carried out until the maturity date of the Sustainability-linked Bonds and/or Sukuk.

Part Seven

Impact of Achieving Sustainability KPI

Article 42

- (1) In the event that the report as referred to in Article 41 declares that the Sustainability KPI is not achieved in accordance with the SPT, the holders of Sustainability-linked Bonds and/or Sukuk may request compensation as referred to in Article 35 paragraph (3), the least:
 - a. repurchase Sustainability-linked Bonds and/or Sukuk; or
 - b. provide compensation in the form of an increase in coupon for Sustainability-linked Bonds and/or Sukuk.
- (2) Provisions regarding procedures for repurchase and compensation, including the amount of coupon increase as referred to in paragraph (1), must be included in the trustee agreement or agreement related to the interests of the holders of the Sustainability-linked Bonds and/or Sukuk.

- (3) The request for repurchase and/or compensation as referred to in paragraph (1) must be carried out through Trustee or Monitoring Agent
- (4) In the event that the issuance of Sustainability-linked Bonds and/or Sukuk without a Public Offering does not have a Monitoring Agent, the request for repurchase or compensation as referred to in paragraph (1) is submitted to the Issuing Party.
- (5) In the event that the holders of Sustainability-linked Bonds and/or Sukuk request the Issuer or Issuing Party to repurchase or provide compensation in the form of an increase in coupon for the Sustainability-linked Bonds and/or Sukuk as referred to in paragraph (1), the Issuer or Issuing Party is obliged to repurchase the aforesaid Bonds and/or Sukuk or provide compensation in the form of an increase in coupon for the Sustainability-linked Bonds and/or Sukuk.
- (6) The repurchase of Sustainability-linked Bonds and/or Sukuk by the Issuer or Issuing Party as referred to in paragraph (3) is obliged to be carried out with the following provisions:
 - a. Sustainability-linked Bonds and/or Sukuk that has been repurchased by the Issuer or Issuing Party as referred to in paragraph (5) cannot be resold by the Issuer or Issuing Party;
 - b. the mechanism for determining the repurchase price is included in the trustee agreement or agreement relating to the interests of the holders of Sustainability-linked Bonds and/or Sukuk; and
 - c. The repurchase is completed no later than 3 (three) months after the Trustee, Monitoring Agent, or the holders of the Sustainability-linked Bonds and/or Sukuk submits a repurchase request.

Article 43

In carrying out the obligations as referred to in Article 42 paragraph (5), the trustee agreement or agreement relating to the interests of the holders of the Sustainability-linked Bonds and/or Sukuk may determine the Party acting as a guarantor.

CHAPTER IV THE SHELF PUBLIC OFFERING OF SUSTAINABILITY-RELATED DEBT SECURITIES AND/OR SUKUK

Article 44

- (1) The sustainability-related Debt Securities and/or Sukuk can be carried out in the shelf Public Offering.
- (2) The Issuer is required to follow the Financial Services Authority Regulations regarding Shelf Registration Public Offering of debt securities and/or Sukuk, unless specifically stipulated in this Financial Services Authority Regulation.
- (3) The Issuer that is conducting a shelf Public Offering of sustainability-related debt securities and/or Sukuk may issue more than 1 (one) sustainability-related debt securities and/or Sukuk as referred to in Article 4 with the following conditions:
 - a. the plan for a shelf Public Offering of sustainability-related Debt securities and/or Sukuk is included in the prospectus for a shelf

- Public Offering of sustainability-related debt securities and/or Sukuk at the time of submitting the Registration Statement; and
- b. all requirements for the issuance of sustainability-related debt securities and/or Sukuk have been fulfilled in accordance with the sustainability-related debt securities and/or sustainability-related Sukuk that are issued at the time of submitting the Registration Statement.

Article 45

- (1) A shelf Public Offering of sustainability-related Debt securities and/or Sukuk as referred to in Article 44 paragraph (1) must include the information in the Prospectus on:
 - a. the cover page as follows:
 1. "Prospectus for a Shelf Public Offering of the Sustainability-Related Debt Securities and/or Sukuk", by stating the name of the Sustainability-Related Debt Securities and/or Sukuk; and
 2. the total amount of funds raised and the type of Securities, namely sustainability-related Debt securities and/or Sukuk, that will be issued during the shelf Public Offering period of the sustainability-related debt securities and/or Sukuk; and
 - b. the chapter regarding Public Offering on the *akad* (contract) to be used in the event of Securities issuance is in the form of Sukuk or Sukuk Waqf.
- (2) The shelf sustainability-related debt securities and/or Sukuk is obliged to be used to finance or refinance activities in accordance with the type of the sustainability-related debt securities and/or Sukuk included in the Public Offering Prospectus.

CHAPTER V

EXTERNAL REVIEW PROVIDER AND INDEPENDENT PARTY

Article 46

The External Review Provider and independent Party can provide a review in the form of:

- a. giving an opinion;
- b. verification;
- c. certification; and/or
- d. scoring/sustainability rating.

Article 47

- (1) The External Review Provider and Independent Party must be independent from the Issuer or Issuing Party that issues sustainability-related debt Securities and/or Sukuk.
- (2) The Issuer or Issuing Party that issues sustainability-related debt Securities and/or Sukuk must ensure the independence of the External Review Provider and independent Party from the Issuer or Issuing Party.

Article 48

In providing a review as referred to in Article 46, the External Review Provider and independent Party must include the least:

- a. a general description of the objectives, scope of the assignment, and competencies possessed by the External Review Provider and independent Party;
- b. a statement regarding the independence of the External Review Provider and independent Party and policies regarding conflicts of interest;
- c. the analytical approach and/or methodology they used; and
- d. conclusions on the results of the review.

Article 49

In providing a review as referred to in Article 46, the External Review Provider and the independent Party must ensure that the following values are fulfilled:

- a. integrity;
- b. objectivity;
- c. professional competence and prudence;
- d. confidentiality; and
- e. professional behavior.

CHAPTER VI INCENTIVE

Article 50

- (1) The Financial Services Authority can provide incentives for Issuer and Issuing Party that issues sustainability-related debt securities and/or Sukuk.
- (2) The provision of incentives as referred to in paragraph (1) is stipulated by the Financial Services Authority.

Article 51

The provision of incentives as referred to in Article 50 does not apply in the case of:

- a. business activities and/or other activities financed by Green Bonds and/or Sukuk, Social Bonds and/or Sukuk, and/or Sustainability Bonds and/or Sukuk no longer meet the requirements as KUBL and/or KUBS;
- b. activities/projects financed by Sukuk Waqf no longer meet the requirements as activities/projects to optimize the Benefits of Waqf Assets; or
- c. The Sustainability KPI that has been determined by the Issuer or Issuing Party of Sustainability-linked Bonds and/or Sukuk is no longer being carried out.

CHAPTER VII ADMINISTRATIVE SANCTIONS

Article 52

- (1) The Party that violates the provisions as referred to in Article 3, Article 11, Article 19 paragraph (1), paragraph (3), paragraph (4), Article 20

paragraph (1), paragraph (3), paragraph (4) , Article 21 paragraph (1), paragraph (2), paragraph (5), paragraph (6), Article 22 paragraph (1), paragraph (3), paragraph (5), paragraph (7), paragraph (9), paragraph (10), paragraph (11), paragraph (12), Article 23 paragraph (1), paragraph (3), paragraph (5), Article 24, Article 25 paragraph (2), paragraph (3), paragraph (4) , Article 26 paragraph (5), paragraph (6), Article 28, Article 29 paragraph (2), paragraph (3), paragraph (4), paragraph (5), paragraph (7), Article 31 paragraph (2) , Article 38 paragraph (2), Article 41 paragraph (1), paragraph (2), paragraph (3), paragraph (5), paragraph (6), paragraph (7), Article 42 paragraph (5), paragraph (6) , Article 44 paragraph (2), and Article 45 paragraph (2) is subject to administrative sanctions.

- (2) Sanctions as referred to in paragraph (1) are also imposed on the Party causing the violation as referred to in paragraph (1).
- (3) Sanctions as referred to in paragraph (1) and paragraph (2) are imposed by the Financial Services Authority.
- (4) Sanctions as referred to in paragraph (1) are in the form of:
 - a. written warning;
 - b. fines, namely the monetary obligation to pay a certain amount of money;
 - c. restrictions on business activities;
 - d. suspension of business activities;
 - e. revocation of business license;
 - f. cancellation of approval;
 - g. cancellation of registration;
 - h. revocation of the effective Registration Statement; and/or
 - i. revocation of an individual's license.
- (5) Administrative sanctions as referred to in paragraph (4) letter b, letter c, letter d, letter e, letter f, letter g, letter h, or letter i may be imposed with or without prior imposition of administrative sanctions in the form of a written warning as referred to in paragraph (4) letter a.
- (6) Administrative sanctions in the form of fines as referred to in paragraph (4) letter b can be imposed separately or jointly with the imposition of administrative sanctions as referred to in paragraph (4) letters c, letter d, letter e, letter f, letter g, letter h, or letter i.
- (7) The procedures for imposing sanctions as referred to in paragraph (3) are carried out in accordance with the provisions of statutory regulations.

Article 53

In addition to administrative sanctions as referred to in Article 52 paragraph (4), the Financial Services Authority may take certain actions against any Party that violates the provisions of this Financial Services Authority Regulation.

Article 54

The Financial Services Authority can announce the imposition of administrative sanctions as referred to in Article 52 paragraph (4) and certain actions as referred to in Article 53 to the public.

CHAPTER VIII
TRANSITIONAL PROVISIONS

Article 55

The Issuer who has issued a Green Bond prior to this Financial Services Authority Regulation coming into force, continues to comply with the provisions stipulated in Financial Services Authority Regulation Number 60/POJK.04/2017 concerning Issuance and Requirements of Green Bond (State Gazette of the Republic of Indonesia of 2017 Number 281, Supplement to State Gazette of the Republic of Indonesia Number 6149) until the aforesaid Green Bond is mature.

Article 56

The Issuer that has conducted a shelf-registration public offering of debt securities and/or Sukuk in accordance with Financial Services Authority Regulation Number 36/POJK.04/2014 concerning Shelf Registration Public Offering of Debt Securities and/or Sukuk (State Gazette of the Republic of Indonesia of 2014 Number 378, Supplement to State Gazette of the Republic of Indonesia Number 5648) before this Financial Services Authority Regulation coming into force, it cannot make an offering of the sustainability-related debt securities and/or Sukuk for the next phase in the remaining time of the shelf-registration public offering period of the aforesaid debt securities and/or Sukuk.

Article 57

In the event that the independent Party as referred to in Article 14, Article 21 paragraph (5), and Article 23 paragraph (3) is not yet available at the time this Financial Services Authority Regulation comes into force, a review of the Sukuk Waqf as referred to in Article 14, Article 21 paragraph (5), and Article 23 paragraph (3) is carried out by the Sharia Supervisory Board or Sharia Expert Team.

CHAPTER IX

CLOSING

Article 58

At the time this Financial Services Authority Regulation comes into force, Financial Services Authority Regulation Number 60/POJK.04/2017 concerning Issuance and Requirements for Green Bond (State Gazette of the Republic of Indonesia of 2017 Number 281, Supplement to the State Gazette of the Republic of Indonesia Number 6149), is revoked and declared invalid.

Article 59

This Financial Services Authority Regulation comes into force on the date of promulgation.

In order that every person may know hereof, it is ordered to promulgate this Financial Services Authority Regulation by its placement in the State Gazette of the Republic of Indonesia.

Stipulated in Jakarta
on 5 October 2023

CHAIRMAN OF THE BOARD OF
COMMISSIONERS OF THE
FINANCIAL SERVICES AUTHORITY
OF THE REPUBLIC OF INDONESIA,

signed

MAHENDRA SIREGAR

Promulgated in Jakarta
on 10 October 2023

MINISTER OF LAW AND HUMAN RIGHTS
OF THE REPUBLIC OF INDONESIA,

signed

YASONNA H. LAOLY

STATE GAZETTE OF THE REPUBLIC OF INDONESIA YEAR 2023 NUMBER 32/OJK

This copy corresponds to the original
Legal Director
Legal Departement

signed

Mufli Asmawidjaja

ELUCIDATION
OF
REGULATION OF THE FINANCIAL SERVICES AUTHORITY
OF THE REPUBLIC OF INDONESIA
NUMBER 18 OF 2023
CONCERNING
ISSUANCE AND REQUIREMENTS OF THE
SUSTAINABILITY-RELATED DEBT SECURITIES AND
SUKUK

I. GENERAL

The capital market as a source of financing for national development has a very important role in increasing equality, growth and stability of the national economy towards improving people's welfare. However, national development by using excessive resources can increase social inequality and result in environmental damage.

The Indonesian government, through the long-term development strategy set forth in the 2005-2025 Long Term Development Plan (RPJP), states that the national development vision for 2005-2025 is to achieve an independent, advanced, just and prosperous Indonesia. The realization of the national development vision is achieved through 8 (eight) development missions. Of the 8 (eight) missions, there are 2 (two) missions related to sustainable development, namely realizing more equitable and just development and realizing a beautiful and sustainable Indonesia.

More equitable and just development is carried out by:

1. increasing regional development;
2. reducing a whole social inequality, taking sides with weak communities, groups, and areas/regions;
3. drastically overcoming poverty and unemployment;
4. providing equal access to various social services and economic facilities and infrastructure for the public; and
5. eliminating discrimination in various aspects including gender.

The implementation of the mission to create a beautiful and sustainable Indonesia is carried out by:

1. managing development implementation by maintaining a balance between utilization, sustainability, existence and advantages of natural resources and the environment;
2. sustainable economic use of natural resources and the environment; and
3. maintaining and utilizing biodiversity as basic capital for development.

Furthermore, sustainable development needs to be supported by innovation in sustainable finance products and services to accelerate the transition to a sustainable financial industry. In the Sustainable Finance Roadmap, one of the initiatives that must be realized is the development of Debt Securities and/or Sukuk whose issuance aims to achieve sustainable economic growth.

Financial Services Authority Regulation Number 60/POJK.04/2017 concerning Issuance and Requirements for Green Bonds, the legal basis for the issuance of Green Bonds, only accommodates the issuance of debt securities or Sukuk that are related on environmental aspects, so it is necessary to expand the scope of its regulation through the preparation of new regulations.

In order to provide a legal basis for the development of debt securities and/or Sukuk as mentioned above, the Financial Services Authority needs to issue a Financial Services Authority Regulation regarding the Issuance and Requirements for the Sustainability-related Debt Securities and/or Sukuk.

Considering that Sustainability-related Debt Securities and/or Sukuk other than Green Bonds are new products in the Indonesian Capital Market, then in preparing this Financial Services Authority Regulation it refers to the standards for issuing sustainability-related debt securities and/or Sukuk issued by The International Capital Market Association (ICMA). Further, the preparation of this regulation also refers to the standards issued by the ASEAN Capital Markets Forum (ACMF), the SRI Sukuk Framework published by the Securities Commission

Malaysia, and the National Sharia Council Fatwa Number 131/DSN-MUI/2019 concerning Sukuk Waqf.

The main regulatory points stipulated in this Financial Services Authority Regulation include:

1. the issuance of sustainability-related debt securities and/or Sukuk can only be carried out to finance or refinance KUBL and/or KUBS, projects undertaken to optimize the benefits of Waqf Assets, as well as issuance linked to the achievement of Sustainability KPI;
2. business activities and/or other activities that can be financed from the issuance of sustainability-related debt securities and/or Sukuk;
3. the obligation of the Issuer or Issuing Party to obtain a review from an External Review Provider according to their competence regarding business activities and/or other activities financed by the issuance of the sustainability-related debt securities and/or Sukuk;
4. use of proceeds from the Public Offering and issuance without a Public Offering of sustainability-related Debt Securities and/or Sukuk;
5. obligations that must be carried out by the Issuer and Issuing Party in the event that sustainability-related debt securities and/or Sukuk are no longer sustainability-related debt securities and/or sustainability-related Sukuk; and
6. provisions regarding Sustainability KPI and Sustainability Performance Targets.

II. ARTICLE BY ARTICLE

Article 1

Self-explanatory.

Article 2

Self-explanatory.

Article 3

Paragraph (1)

Statutory regulations in the capital markets sector regarding Registration Statement, Public Offering of Debt Securities and/or Sukuk, and other related regulations for Public Offering of Debt Securities and/or Sukuk, among others:

- a. the Financial Services Authority Regulations concerning Registration Statement documents for Public Offering of equity Securities, debt Securities and/or Sukuk;
- b. the Financial Services Authority regulations concerning the form and content of the prospectus and brief prospectus for Public Offering of debt securities;
- c. the Financial Services Authority Regulations concerning Public Offering of Debt Securities and/or Sukuk to professional investors;
- d. the Financial Services Authority concerning regarding the issuance and requirements of sukuk; and
- e. Financial Services Authority regulations concerning the implementation of sustainable finance for financial services institutions, issuers and public companies.

Paragraph (2)

Statutory regulations in the capital market sector concerning the issuance of debt securities and/or Sukuk without a public offering and other related regulations, including the Financial Services Authority Regulations concerning the issuance of debt securities and/or Sukuk without a public offering.

Article 4

Self-explanatory.

Article 5
Self-explanatory.

Article 6
Paragraph (1)
Letter a
Self-explanatory.
Letter b
Self-explanatory.
Letter c
Self-explanatory.
Letter d
An example of an activity/project to optimize the benefits of Waqf Assets is the construction of a hospital or other commercial building on waqf land, the results of the management of which provide added value for waqf beneficiaries.
Activities/projects to optimize the benefits of Waqf Assets include KUBL and/or KUBS.
Paragraph (2)
Self-explanatory.
Paragraph (3)
Self-explanatory.

Article 7
Examples of benefits from waqf assets include benefits from the use of waqf land, benefits from the use of waqf buildings.
Examples of business activities or projects on Waqf Assets include business activities from companies whose shares are waqf shares, building hospitals on waqf land.

Article 8
Letter a
What is meant by "renewable energy" is an energy source that is produced from sustainable energy resources if managed properly, including geothermal heat, wind, bioenergy, sunlight, water flows and waterfalls, as well as movements and temperature differences in sea layers.
Business activities and/or other activities that utilize renewable energy include building a mini hydro and using solar power to generate electricity.
Letter b
What is meant by "energy efficiency" are steps, methods or principles that are expected to use energy efficiently.
Business activities and/or other activities that utilize energy efficiency include:

1. construction of new buildings and building renovations that are environmentally friendly, namely by reducing electricity consumption for lighting and air circulation which allows reducing the use of air conditioners;
2. energy storage;
3. district heating; or
4. smart grids.

Letter c
Pollution prevention and control include wastewater treatment, reducing air emissions including coal phasing out, controlling greenhouse gases, soil remediation, waste prevention, waste reduction, recycling waste for energy, adding value to products and reconditioning waste, and environmental monitoring analysis.
Letter d
Management of biological natural resources and sustainable land use includes sustainable agriculture, sustainable animal husbandry, fisheries, aquaculture, forestry, and agriculture that is resistant to climate change as well as conservation of biological food crops or irrigation.

Letter e

Conservation of terrestrial and aquatic biodiversity includes protecting coastal, marine and river basin environments.

Letter f

Environmentally sound transportation includes electric transportation, hybrid, public transportation, electric trains, non-motorized vehicles, multi-modal transportation, infrastructure for vehicles with environmentally friendly energy and reducing harmful emissions.

Letter g

Sustainable water and wastewater management includes environmentally friendly infrastructure and/or drinking water, urban drainage systems, and various forms of flood mitigation.

Letter h

Adaptation to climate change includes support for information systems such as climate observation and early warning systems.

Letter i

Products that can reduce resource use and produce less pollution (eco-efficient) include the development and introduction of environmentally friendly products with eco-labels or environmental certification as well as resource-saving packaging and distribution.

Letter j

Self-explanatory.

Letter k

Business activities and/or other environmentally sound activities include activities or activities that are included in the green classification in the taxonomy applicable in Indonesia.

Article 9

Paragraph (1)

Letter a

Basic infrastructure that is affordable both in terms of access and price includes clean drinking water, sewerage, sanitation, transportation, and energy.

Letter b

Access to essential services including health, education and vocational training, health care, financing and financial services.

Letter c

Self-explanatory.

Letter d

Self-explanatory.

Letter e

Food security and sustainable food systems include safe physical, social and economic access, health, and adequate food that meets standards, reliable agricultural practices, reduced food waste, increased productivity of small-scale producers.

Letter f

Socio-economic improvement and empowerment include equal access to and control of assets, services, resources and opportunities as well as equal participation and integration in markets and society, including reducing income inequality.

Examples of socioeconomic improvement and empowerment activities are coaching or advocacy activities for micro businesses in increasing their capacity to manage businesses and gain access to marketing and capital.

Letter g

Business activities and/or other activities with a social perspective include activities or activities that are included in the social classification of the taxonomy applicable in Indonesia.

Paragraph (2)

The target populations include:

- a. living below the poverty line;
- b. marginalized residents/communities;
- c. people with disabilities;
- d. immigrants/refugees;

- e. people who have dropped out of school (undereducated);
- f. people who lack access to important goods and services/basic needs;
- g. unemployment;
- h. women in relation to gender equality;
- i. aging populations or young but vulnerable people;
- j. other vulnerable groups including those resulting from natural disasters; and
- k. communities that meet the criteria as regulated in statutory regulations.

Article 10

Letter a

Internal processes include the steps taken by the Issuer or Issuing Party to determine the environmental goals to be achieved, the selection process used such as identification, assessment, selection and/or determination, including the criteria used and the parts or functions involved.

Letter b

Self-explanatory.

Article 11

Self-explanatory.

Article 12

Self-explanatory.

Article 13

Self-explanatory.

Article 14

What is meant by "Independent party" is a party or function formed by an independent institution to develop waqf in Indonesia as regulated in the Law regarding waqf to provide a review of Sukuk Waqf.

Article 15

Letter a

Self-explanatory.

Letter b

Self-explanatory.

Letter c

Self-explanatory.

Letter d

Evidence of the competency or expertise of the External Review Provider includes:

1. certificate of competency or expertise issued by a nationally or internationally recognized institution in the field of sustainability in accordance with the type of debt securities and/or sustainability related Sukuk issued; and
2. proof of work experience or active involvement in an assessment or review activity.

Article 16

Letter a

Self-explanatory.

Letter b

Self-explanatory.

Letter c

Lihat penjelasan Pasal 14.

Letter d

What is meant by "Nazhir" is the party who receives waqf assets from the wakif to be managed and developed in accordance with their intended use.

Nazhir can be an individual Nazhir, an organizational Nazhir, and a legal entity Nazhir.

In the case of a Nazhir in the form of an organizational Nazhir and a legal entity Nazhir, the proof of competency certification submitted is in the form of proof of competency certification from the management of the organizational Nazhir or legal entity Nazhir.

Letter e

Self-explanatory.

Letter f

What is meant by "waqf pledge deed" is proof of the statement of the wakif's intention to donate his property to be managed by the Nazhir in accordance with the designation of the waqf property as outlined in the form of a deed.

Article 17 Letter a

Point 1

Self-Explanatory.

Point 2

Example 1:

When Green Bonds and/or Sukuk is used to finance or refinance green building construction, the target benefit from KUBL is to support government programs, including reducing carbon dioxide (CO₂) emissions, saving electrical energy, and saving water consumption.

Example 2:

When Social Bonds and/or Sukuk is used to finance or refinance affordable housing development, the target benefit of KUBS is to facilitate low-income communities and/or communities who meet the criteria for obtaining housing as regulated in statutory regulations.

Letter b

Self-Explanatory.

Letter c

Self-Explanatory.

Article 18

Letter a

Self-Explanatory.

Letter b

Self-Explanatory.

Letter c

See explanation of Article 14.

Letter d

Self-Explanatory.

Article 19

Paragraph (1)

Self-Explanatory.

Paragraph (2)

What is meant by "theme of the issuance" is the type of Debt Securities and/or Sustainability Related Sukuk such as Green Bonds and/or Sukuk, Social Bonds and/or Sukuk, or Sustainability Bonds and/or Sukuk.

An example of changing the use of funds from the construction of green buildings to the construction of mini hydro power plants.

Paragraph (3)

Self-Explanatory.

Paragraph (4)

Self-Explanatory.

Article 20

Self-Explanatory.

Article 21

- Paragraph (1)
Self-Explanatory.
- Paragraph (2)
Self-Explanatory.
- Paragraph (3)
Self-Explanatory.
- Paragraph (4)
Self-Explanatory.
- Paragraph (5)
See explanation of Article 14.
- Paragraph (6)
Self-Explanatory.

Article 22

- Paragraph (1)
Self-Explanatory.
- Paragraph (2)
Letter a
Self-Explanatory.
Letter b
Self-Explanatory.
Letter c
What is meant by "changes to the realization of business activities and/or other activities" are changes to the realization of activities or project changes other than changes to business activities and/or other activities which cause the business activities and/or other activities to no longer meet the KUBL and/or KUBS.
Example:
changes to the realization of activities or projects in KUBL in the form of changes to the contract model related to the construction of a mini hydro power plant project which originally used a "turnkey" model to a "long term service agreement" model.
Letter d
What is meant by " impact of funded KUBL and/or KUBS" includes but is not limited to the benefits of business activities and/or other activities underlying the issuance of Securities in question for the environment and/or to overcome or mitigate social problems and/or provide benefits to the target population .
- Paragraph (3)
Self-Explanatory.
- Paragraph (4)
Self-Explanatory.
- Paragraph (5)
Self-Explanatory.
- Paragraph (6)
Self-Explanatory.
- Paragraph (7)
Example:
Green Bonds and/or Sukuk, Social Bonds and/or Sukuk, and/or Sustainability Bonds and/or Sukuk received an effective statement from the Financial Services Authority on 20 June 2023, Issuers have an obligation to carry out periodic reviews no later than 31 December 2023 so that the report is attached to the annual report submitted to OJK on 30 April 2024.
- Paragraph (8)
Example:
Green Bonds and/or Sukuk received an effective statement from the Financial Services Authority on 20 July 2023, the Issuer has an obligation to carry out a periodic review no later than 31 December 2024 so that the report is attached to the annual report submitted to the Financial Services Authority on 30 April 2025.
- Paragraph (9)
Self-Explanatory.
- Paragraph (10) Self-Explanatory.

Paragraph (11)

Example a:

Green Bonds and/or Sukuk was registered in collective custody on 30 June 2023, the Issuer has an obligation to carry out a periodic review no later than 31 December 2023 so that the report is submitted to the Financial Services Authority on 30 April 2024.

Example b:

Green Bonds and/or Sukuk was registered in collective custody on 20 July 2023, the Issuer has an obligation to carry out a periodic review no later than 31 December 2024 so that the report is submitted to the Financial Services Authority on 30 April 2025.

Paragraph (12)

Self-Explanatory.

Article 23

Paragraph (1)

Self-Explanatory.

Paragraph (2)

Self-Explanatory.

Paragraph (3)

See explanation of Article 14.

Paragraph (4)

Self-Explanatory.

Paragraph (5)

Self-Explanatory

Article 24

Self-Explanatory.

Article 25

Self-Explanatory.

Article 26

Paragraph (1)

Self-Explanatory.

Paragraph (2)

Self-Explanatory.

Paragraph (3)

Self-Explanatory.

Paragraph (4)

Issuer criteria for issuing Green Bonds and/or Sukuk, Social Bonds and/or Sukuk, and/or Sustainability Bonds and/or Sukuk without a Public Offering that does not use a Monitoring Agent, follow the provisions as stipulated in the Financial Services Authority regulations regarding the issuance of debt securities and/or Sukuk carried out without going through a Public Offering.

Paragraph (5)

Self-Explanatory.

Paragraph (6)

Self-Explanatory.

Article 27

What is meant by "guarantor" is a party who is able to bear the responsibility in accordance with the obligations or ability to guarantee.

Article 28

Self-Explanatory.

Article 29

Self-Explanatory.

Article 30

Other events that have a significant influence include changes in government policy, pandemics and non-natural disasters.

Article 31

Paragraph (1)

The general objectives of the Issuer or Issuing Party include increasing the company's working capital and business expansion activities.

Paragraph (2)

What is meant by "linked to the Sustainability KPI" is that the issuance of the Bonds and/or Sukuk in question is accompanied by the Issuer's or Issuer's commitment to achieve the specified Sustainability KPI.

Article 32

Self-Explanatory.

Article 33

Paragraph (1)

Letter a

What is meant by "relevant" is the Sustainability KPI that will be selected by the Issuer or Issuing Party is closely related to the main business activities of the Issuer or Issuing Party.

What is meant by "core in nature" is the Sustainability KPI that will be selected by the Issuer or Issuing Party referring to the Issuer's sustainability strategy.

What is meant by "material" is the Sustainability KPI that will be chosen by the Issuer or Issuing Party will have a material impact on the performance of the Issuer or Issuing Party. For example, KPIs that are relevant, core, material and strategic for Issuers in the consumer non-cyclicals sector and the personal care products sub-sector include total energy use, total greenhouse gas emissions produced (scope 1, 2 and 3) either absolute or intensity, proportion of reused/recovered/recycled water, proportion of products produced from materials that have been recycled and/or renewable.

Issuers or Issuers can select or compile Sustainability KPI by referring to the Sustainability KPI that has been disclosed in annual reports, sustainability reports and non-financial reports that have been published, thereby enabling investors to evaluate the historical performance of the KPI selected or prepared.

In the event that the Issuer or Issuing Party has never previously disclosed the Sustainability KPI, the Issuer or Issuing Party or provides a verified Sustainability KPI value for at least the last 3 (three) years, if possible.

Letter b

Self-Explanatory.

Letter c

What is meant by "comparable" is that efforts are made to use external references or definitions to facilitate assessment of the SPT's level of ambition.

Letter d

Self-Explanatory.

Paragraph (2)

Letter a

Self-Explanatory.

Letter b

What is meant by "calculation methodology" is a clear definition of the denomination of Sustainability KPI intensity, the baseline definition used, if possible science-related or industry standard benchmarks such as the SMART (specific, measurable, attainable, relevant and time-bound) approach.

Paragraph (3)

What is meant by "aligned with sustainable development goals" is that every Sustainability KPI determined by the Issuer or Issuing Party supports and is in line with sustainable development goals.

In practice, what is meant by "sustainable development goals" are the Sustainable Development Goals (SDGs) set by the United Nations Development Program.

Paragraph (4)
Self-Explanatory.

Article 34

Paragraph (1)
Determining the SPT for each Sustainability KPI can be done by determining 1 (one) or more SPT for each Sustainability KPI.

Paragraph (2)

Letter a

In representing a significant increase, the Issuer is expected to depict a significant increase in target achievement in a certain time period as an ambitious representation of achieving the Sustainability KPI target.

Letter b

Self-Explanatory.

Letter c

Self-Explanatory.

Letter d

Self-Explanatory.

Paragraph (3)

Letter a

Self-Explanatory.

Letter b

What is meant by "SPT's position relative to comparator company" is the relative position of the Issuer's SPT compared to other companies, seen from average performance and best performance in its class, and compared to industry or sector standards.

Letter c

What is meant by "scientific references" include net-zero targets in accordance with the Paris Agreement, sustainable development goals (SDGs), recognized best technologies, scientifically related scenarios, and other scientific references.

Paragraph (4)

Self-Explanatory.

Article 35

Paragraph (1)

Self-Explanatory.

Paragraph (2)

Letter a

Self-Explanatory.

Letter b

The fallback mechanism is a condition for determining how and when the Issuer or Issuing Party is permitted to recalculate or adjust the proforma to the scope of the KPI and SPT.

The Issuer or Issuing Party may disclose matters to consider the potential for extraordinary or extreme events, including drastic changes in the scope of arrangements which could have a major impact on the calculation and adjustment of the Sustainability KPI, SPT, and/or baseline proforma.

Paragraph (3)

Self-Explanatory.

Paragraph (4)

Self-Explanatory.

Article 36

Self-Explanatory.

Article 37

Self-Explanatory.

Article 38
Self-Explanatory.

Article 39
Self-Explanatory.

Article 40
Self-Explanatory.

Article 41
Self-Explanatory.

Article 42
Self-Explanatory.

Article 43
See explanation of Article 27.

Article 44
Self-Explanatory.

Article 45
Self-Explanatory.

Article 46

Letter a

What is meant by "giving an opinion" is giving an opinion on matters required in this Financial Services Authority Regulation, including the credibility of the issuance policy framework, the usefulness of the KUBL and/or KUBS being financed.

Letter b

What is meant by "verification" is verifying a series of criteria related to performance, environment, social, sustainability, or KPI and SPT that have been prepared by the Issuer or Issuing Party.

Verification can be carried out by paying attention to the guidelines for the classification of economic activities/business activities, including the taxonomy applicable in Indonesia.

Letter c

What is meant by "certification" is providing certification for the framework of debt Securities and/or Sukuk related on sustainability, use of proceeds from issuance, KPI, or SPT related on recognized standards.

Letter d

What is meant by "scoring/sustainability rating" is providing a score or ranking for the framework of debt securities and/or Sukuk related on sustainability, use of proceeds from the issuance, KPI, or calibration of the SPT confidence level related on a particular scoring or ranking methodology.

The form of methodology used refers to international standards published by ICMA, ACMF, or other standards.

Article 47
Self-Explanatory.

Article 48
Self-Explanatory.

Article 49

Letter a

Self-Explanatory.

Letter b

Self-Explanatory.

Letter c

What is meant by "professional competence" is competence proven by:

1. having a certificate of competence or expertise issued by a nationally or internationally recognized institution in the field of sustainability in accordance with the type of debt securities and/or Sukuk issued; and
2. having experience and expertise that can be proven by work experience or active involvement in an assessment or review activity.

Letter d

Self-Explanatory.

Letter e

Self-Explanatory.

Article 50

Self-Explanatory.

Article 51

Self-Explanatory.

Article 52

Self-Explanatory.

Article 53

What is meant by "certain actions" includes, among other things, delaying the provision of an effective statement, for example the effective statement of the Bonds and/or Sukuk Public Offering related on sustainability.

Article 54

Self-Explanatory.

Article 55

Self-Explanatory.

Article 56

Self-Explanatory.

Article 57

Self-Explanatory.

Article 58

Self-Explanatory.

Article 59

Self-Explanatory.

APPENDIX
FINANCIAL SERVICES AUTHORITY REGULATION
OF THE REPUBLIC OF INDONESIA
NUMBER 18 OF 2023
CONCERNING
ISSUANCE AND REQUIREMENTS FOR
SUSTAINABILITY-RELATED DEBT SECURITIES
AND/OR SUKUK

Format 1

STATEMENT OF COMMITMENT OF THE ISSUER OR ISSUING PARTY TO USE THE
PROCEEDS OF THE PUBLIC OFFERING OR ISSUANCE WITHOUT A PUBLIC
OFFERING OF THE GREEN BONDS AND/OR SUKUK, SOCIAL BONDS AND/OR
SUUK, AND SUSTAINABILITY BONDS AND/OR SUKUKON KUBL AND/OR KUBS

I, the undersigned (president director/member of the board of directors who is
authorized to represent the Issuer or Issuing Party in accordance with the articles of
association*) represent:

Issuer/Issuing Party*) :
Business activities :
Address :
Telephone and Facsimile :

For a Public Offering or issuance of.. (specify the sustainability-related debt
securities and/or Sukuk being offered) in the amount of hereby declare that I am
committed to using the proceeds of the Public Offering or issuance without a Public
Offering.. (specify the sustainability related debt securities and/or Sukuk being
offered) to finance or refinance Environmentally Sound Business Activities (KUBL)
and/or Socially Responsible Business Activities (KUBS).

... (place), ... (date, month, year) (President
director/member of the board of directors
who is authorized to represent the Issuer
or Issuing Party in accordance with the
articles of association*)

Seal

.....

*) cross the unnecessary ones.

Format 2

STATEMENT OF COMMITMENT OF THE ISSUER OR ISSUING PARTY TO USE THE PROCEEDS OF THE PUBLIC OFFERING OR ISSUANCE WITHOUT A PUBLIC OFFERING OF SUKUK WAKAF ON ACTIVITIES/PROJECTS TO OPTIMIZE THE BENEFITS OF WAKAF ASSETS

I, the undersigned (president director/member of the board of directors who is authorized to represent the Issuer or Issuing Party in accordance with the articles of association)*) represent:

Issuer/Issuing Party*) :
Business activities :
Address :
Telephone and Facsimile :

For the Public Offering of Sukuk Waqf or the issuance of Sukuk Waqf without a Public Offering*) in the amount of... hereby declare that I am committed to using the proceeds of the Public Offering of Sukuk Waqf or issuance without a Public Offering of Sukuk Waqf *) to finance or refinance activities/projects that are carried out to optimize the Benefits of Waqf Assets in the issuance of Sukuk Waqf.

... (place), ... (date, month, year) (President director/member of the board of directors who is authorized to represent the Issuer or Issuing Party in accordance with the articles of association)*)

Seal

.....

*) cross the unnecessary ones.

STATEMENT OF COMMITMENT OF THE ISSUER OR ISSUING PARTY TO FULFILL THE SUSTAINABILITY KEY PERFORMANCE INDICATORS THAT HAVE BEEN DETERMINED OR PREPARED

I, the undersigned (president director/member of the board of directors who is authorized to represent the Issuer or Issuing Party in accordance with the articles of association)*) represent:

Issuer/Issuing Party*) :
Business activities :
Address :
Telephone and Facsimile :

For a Sustainability-linked Bonds and/or Sukuk Public Offering or Sustainability-linked Bonds and/or Sukuk issuance without a Public Offering*) in the amount of.... hereby declare that I am committed to implementing and fulfilling the achievements or performance of the Sustainability Key Performance Indicators and SPT that have been determined or prepared.

... (place), ... (date, month, year) (President director/member of the board of directors who is authorized to represent the Issuer or Issuing Party in accordance with the articles of association

Seal

.....

*) cross the unnecessary ones.

Stipulated in Jakarta
on 5 October 2023
CHAIRMAN OF THE BOARD OF
COMMISSIONERS OF THE
FINANCIAL SERVICES AUTHORITY
OF THE REPUBLIC OF INDONESIA,

signed.

MAHENDRA SIREGAR

This copy is true to the original
Legal Director
Legal Departement

signed.

Mufli Asmawidjaja