

Risk Management Policy

Purpose and scope

Risk is an inherent part of PT Morgan Stanley Sekuritas Indonesia (“PTMSSI”)’s business activities. Indonesia Risk Management Policy is in place to identify, measure, monitor, advise and control the principal risks involved in the activities of PTMSSI businesses and includes market, credit, operational, liquidity, model, compliance, reputation, and strategic risk. Risk is independently assessed and monitored to help ensure the effectiveness and consistency across Business Units.

Risk Management Culture.

PTMSSI’s Risk Management Culture is rooted in five key principles: integrity, comprehensiveness, independence, accountability, and transparency. This culture is implemented through the Firm’s Global Enterprise Risk Management Framework and multiple lines of defense.

Responsibilities

Key PTMSSI Risk Management Function:

- Management of Trading and Clearing Limits including System Limit Controls and KPEI Trading Limits as part of overseeing all market risk exposure arising from PTMSSI’s business activities by identifying and defining market risks, developing and employing risk measures and tools to monitor and control those risks, establishing limits, monitoring usage against these limits
- oversees and monitors liquidity and funding risk thorough the year; identifies and analyzes emerging liquidity and funding risks to ensure such risks are appropriately mitigated; monitors and reports risk exposures against metrics and limits
- Verification of the Client Account Opening process including the Verification and Approval of accounts
- Verifying the receipt and execution of the funds representation letter for account opening
- Monitoring of Employee Trading including the Approval of employee trades and maintaining controls around this process
- Monitor and Enforce Best Execution and Fair Allocation for our clients
- Propose and arrange the Risk Management Policy and Procedure to Board of Directors.
- Providing Periodic Report on PTMSSI’s risk activities to the Board of Directors and escalation to any Risk incidents requiring the attention from the Board.

Governance Structure

Risk Management function will ensure that there is an appropriate Supervisory Framework for PTMSSI. This framework includes supervision by the Board of Directors of PTMSSI; delegation of authority; division of duties; and an internal supervision system which includes independent assurance and consulting activities to be carried out by Compliance function.

Kebijakan Manajemen Risiko

Tujuan dan Cakupan

Risiko adalah bagian yang penting di PT Morgan Stanley Sekuritas Indonesia (“PTMSSI”) dalam menjalankan aktivitas bisnisnya. Kebijakan Manajemen Risiko bertujuan untuk mengidentifikasi, mengukur, memonitor, mengimbu, dan mengontrol risiko utama yang muncul dalam menjalankan aktivitas bisnisnya seperti risiko pasar, credit, operasional, likuiditas, model, kepatuhan dan risiko strategis. Risiko dikelola dan dimonitor secara independen guna memastikan keefektifan dan konsistensi di semua unit usaha.

Budaya Manajemen Risiko.

Budaya Manajemen Risiko PTMSSI berakar ke lima prinsip: integritas, komprehensif, independen, akuntabel, and transparan. Budaya ini diterapkan ke Manajemen risiko perusahaan secara global dan berbagai lini pertahanan.

Tanggung Jawab

Fungsi Kunci Manajemen Risiko PTMSSI:

- Manajemen *Trading* dan *Clearing Limit* termasuk *limit control* di sistem maupun *trading limit* KPEI sebagai bagian dari pemantauan risiko pasar terhadap aktivitas bisnis PTMSSI dengan mengidentifikasi risiko pasar, mengembangkan serta menggunakan ukuran-ukuran risiko untuk mengontrol risiko tersebut, kemudian menerapkan limit dan memonitor penggunaan limit tersebut;
- Memantau serta memonitor risiko likuiditas dan pendanaan sepanjang tahun; identifikasi dan analisa risiko likuiditas dan pendanaan yang mungkin muncul, memastikan risiko tersebut sudah dimitigasi secara tepat dan memonitor serta melaporkan eksposur risiko terhadap ukuran dan limit.
- Verifikasi keseluruhan proses pembukaan rekening Nasabah termasuk proses persetujuan rekening;
- Verifikasi *funds representation letter* untuk setiap rekening yang dibuka di perusahaan;
- Memantau *Employee Trading* termasuk *approval* kegiatan trading dari pegawai dan kontrol dalam setiap prosesnya;
- Memonitor dan mengkedepankan *Best Execution* dan *Fair Allocation* kepada semua Nasabah;
- Menyusun dan menyampaikan Kebijakan dan Prosedur Manajemen Risiko kepada Dewan Direksi;
- Menyusun laporan berkala mengenai aktivitas PTMSSI kepada Dewan Direksi dan eskalasi terhadap semua insiden risiko yang membutuhkan perhatian dari Dewan Direksi.

Struktur Organisasi

Fungsi Manajemen Risiko memastikan adanya kerangka pengawasan dalam struktur organisasinya. Kerangka tersebut mencakup Pengawasan dari Dewan Direksi, delegasi, pembagian tugas dan sistem pengawasan *internal* termasuk aktivitas *consulting* secara independen oleh fungsi kepatuhan.

Note / Keterangan: It is a translation of the original in English and that in case of a discrepancy, the English version will prevail / Ini merupakan translasi dari versi Bahasa Inggris yang asli, apabila terdapat ketidaksamaan, maka versi Bahasa Inggris yang akan berlaku.