

Number : KSEI-1983/DIR/0220
Attachment : -
Letter Classification : General

Jakarta, February 6, 2020

**To: Board of Directors/Management of
KSEI Participants**

Re: Use of Valid “Single Investor Identifications” (“SID”) for Securities Transactions

Dear Sir/Madam,

Referring to the function of Single Investor Identifications (SID) for Securities Transactions as specified in Item 1.1 of KSEI Regulation Number I-E on Single Investor Identification (“Regulation I-E”), which reads as follows:

“The Single Investor Identification, which shall be referred further as “SID”, is a single and specific code issued by KSEI to be used by Clients, Investors, and/or Other Parties in compliance with existing regulations on Securities Transaction activities and/or other services provided by KSEI or other parties with KSEI’s approval or based on existing regulations.”

We hereby inform you that SIDs that have been deleted or are no longer registered at KSEI cannot be used for Securities Transactions, including as a Trading ID for Stock Exchange Transactions. We kindly remind you that Participants are obligated to verify the validity of their Client’s SID for Securities Transactions.

To ensure the use of valid and KSEI registered Client SIDs, we kindly request Participants to:

1. Verify the use of valid and most current Client SIDs for Securities Transactions;
2. Constantly conduct data updating and reconciliation between Client’s SID and Securities Sub-Accounts (SRE);
3. Updating or adjusting Client’s data at KSEI immediately after any changes to the SID;
4. As KSEI Participants, Securities Companies and Custodian Banks must coordinate the validity of SIDs in the event of any SID changes due to the updating of Clients’ data by verifying that Clients are using valid SIDs during their Stock Exchange Transactions through Securities Companies.

If KSEI’s monitoring discovers the use of invalid SIDs due to any inconsistencies between SID, data, and/or Client Information in the Participant’s administration records at KSEI’s System then it may indicate a violation by the Participants on the following Regulation I-E items:

1. Item 4.21

“In regards to data updates that result in any changes to the SID, the Applicants as Securities Broker-Dealers and administrators of the Clients’ Securities Accounts are obligated to:

Ensure the consistency of data in the Securities Sub-Account, including any changes in the SID, at the Applicants’ administrative system.”

2. Item 4.6

“During the updating of data, Applicants are required to ensure that the SID Holder’s data are complete, compatible, and accurate. Data that are recorded in the Applicant’s administration system or submitted to KSEI, must be the most recent data and consist of information or documents that have been submitted by the SID Holder.”

Any violations to the KSEI Regulation above may incur a sanction by KSEI pursuant to Item 3.1 of KSEI Regulation Number VIII on KSEI Sanctions, which reads as follows:

“Sanctions will be enacted toward Service Users that have violated KSEI Regulations and/or Agreements between KSEI and Service Users.”

KSEI hopes that Participants will continue to maintain their consistent compliance towards existing regulations.

Thank you for your kind attention and cooperation.

Sincerely yours,

Uriep Budhi Prasetyo
President Director

Supranoto Prajogo
Director

CC:

1. Director for Institution Supervision - Financial Services Authority (OJK);
2. Director for Transaction Supervision - Financial Services Authority (OJK);
3. Board of Directors of Indonesia Stock Exchange;
4. Board of Directors of Indonesian Clearing and Guaranteeing Corporation;
5. Board of Directors of Indonesia Central Securities Depository