

Number : KSEI-0707/DIR/0322

March 4, 2022

Attachment : 1 (One) Document

Classification : General

To:

**Board of Directors/Management of Investment Managers
as S-INVEST Users**

Re: Development of the S-INVEST Pre Allocation Module

Dear Sir/Madam,

Referring to Financial Services Authority (OJK) Number S-245/PM.21/2022, dated March 2, 2022, regarding Follow-Up to the Integrated Investment Management System's (S-INVEST) Pre Allocation Module, which specifies that S-INVEST Pre Allocation Module's development plan has been discussed during a special meeting with the OJK and association representatives, as well as during the S-INVEST operational routine meeting with association representatives on December 30, 2021, we hereby convey to you the following points:

1. Article 23 of OJK Regulation (POJK) Number 43/POJK.04/2015 specifies that:
"(1) Investment Managers must create a record or written documentation on the Security Portfolio selling and/or buying allocation plans which should be in the interest of the customers and based on the principles of fairness and reasonability without causing harm to specific customers."

"(2) Investment managers must create, record, and maintain documentation and/or records on the allocation of Securities resulting from the transaction and its reasoning to ensure that the allocation meets with the principles of fairness and reasonability without causing harm to specific customers."
2. OJK Letter No. S-527/PM.21/2021, of April 30, 2021, on the Follow-UP to the Development of the S-INVEST Pre Allocation Module, stipulates that the recording of the allocation in the future must be done through the S-INVEST's newly developed Pre Allocation module. The development is targeted to strengthen monitoring systems and support the S-INVEST Pre Allocation's setting transition period, as specified in the OJK Regulation Draft on the Code of Conduct for Investment Managers, which is scheduled to start on August 31, 2022, as mentioned in the OJK letter.
3. The Pre Allocation Module developed in the S-INVEST is an independent module that is not directly linked to the existing Post Trade Processing (PTP) module.
4. The developed Pre Allocation Menu includes an upload, input, cancellation, and inquiry menus.
5. Only Investment Managers can input/upload Pre Allocation data. Securities Companies and Treasury Banks can only conduct an inquiry and download the related Pre Allocation data.

6. The Pre Allocation Module for equity typed securities and fixed income will be combined in one menu screen.
7. The Investment Manager can cancel the Pre Allocation data at the latest by the trade date and must include the reason behind the cancellation.
8. The Pre Allocation Module is not a media to send transaction orders (trading system). The Investment Manager must still send an instruction order based on existing mechanisms and the Securities Company/Treasury Bank can directly conduct the transaction without waiting for the Investment Manager to input/upload the Pre Allocation data into the S-INVEST system.

We have attached a detailed process flow and instruction layout on the Pre Allocation Module for S-INVEST Investors to use as a basis to develop their own internal systems.

The final decision on the Pre Allocation Modules' is pending further information from the Financial Services Authority (OJK). Therefore, we kindly request Investment Managers to implement the required development and/or adaptation as soon as possible.

For further questions, please contact us at phone numbers: 021-52991086 (Ms. Lidya) and 021-52991163 (Ms. Gloria) or through email address: api@ksei.co.id.

Thank you for your kind attention and cooperation.

Sincerely yours,

Syafuruddin

Director

Syafuruddin Dharma Setyadi

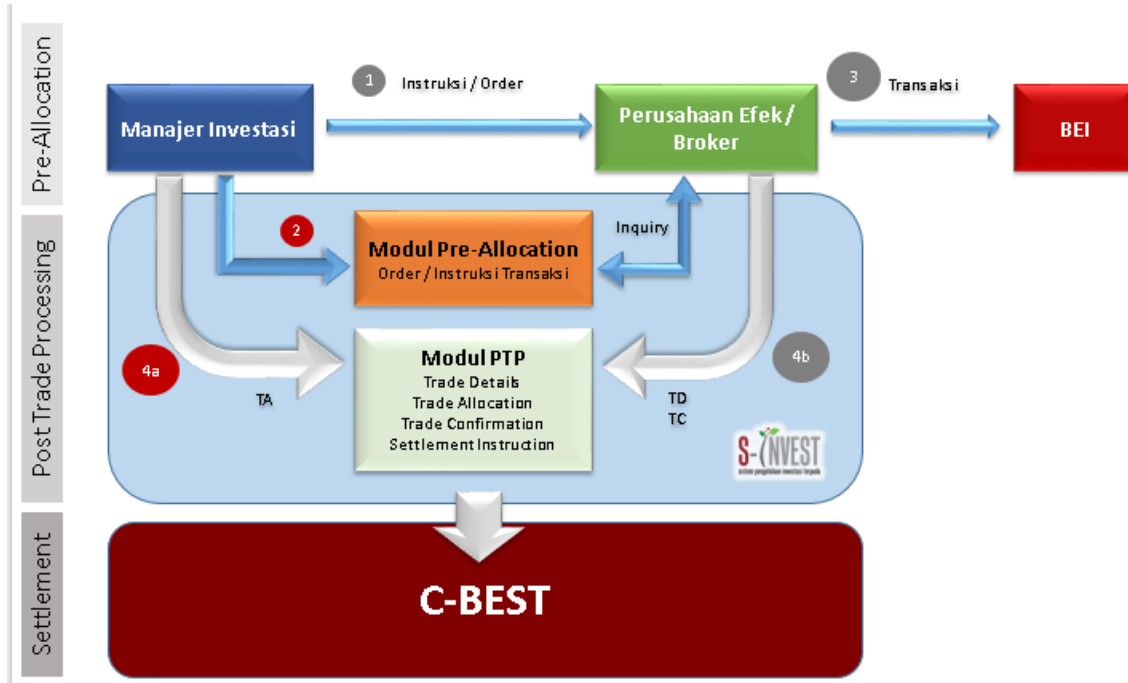
Head of Transaction Settlement and
Service Administration Division

CC:

1. Director for Investment Management, Financial Services Authority (OJK)
2. Association of Indonesian Mutual Funds & Investment Practitioners (APRDI)
3. Association of Indonesian Investment Managers (AMII)
4. Indonesia Securities Companies Association (APEI)
5. Indonesia Foreign Exchange Market Committee (IFEMC)
6. Indonesian Custodian Banks Association (ABKI)
7. Board of Directors of Indonesia Central Securities Depository

Attachment I- Letter No. KSEI-0707/DIR/0322

S-INVEST Pre Allocation Flow:



Process Flow:

1. The Investment Manager (IM) will send an order instruction to the Securities Company (based on existing mechanism outside of S-INVEST).
2. The IM will input the data to the S-INVEST Pre Allocation Module.
3. The Securities Company and Treasury Bank can directly conduct the transaction based on the IM's instruction, specified in point 1, without waiting for the IM to input the Pre Allocation data into the S-INVEST (point 2).
4. After the transaction is successfully executed at the Stock Exchange, the Securities Company, Treasury Bank, and IM can input/upload the data to the S-INVEST PTP module by using the existing mechanism.

Attachment II - Letter No. KSEI-0707/DIR/0322

'Pre Allocation Data Upload' Layout Menu Detail

No	Field Name	M/O/C	Format	Value	Description
1	Transaction Status	M	4!c	NEWM = New trade CANC = Cancel trade	
2	Pre-Allocation Reference ID	C	20!c		Mandatory if 'Transaction Status' is "CANC"; if 'Transaction Status' is "NEWM" it shall be blank
3	Security Classification	M	2!a	EQ: Equity FI: Fixed Income	
4	Trade Date	M	4!n2!n2!n		
5	Settlement Date	M	4!n2!n2!n		
6	IM Code	M	5!c		S-INVEST Participant Code
7	BR Code	M	5!c		S-INVEST Participant Code
8	SID Type	M	1!a	M: Investment Manager F: Fund	SID Investment Manager / SID Fund
9	Fund Code	M	5!c2!c1!c6!c2!n		
10	Investment Manager's SID	O	15!c		Investment Manager's SID from S-INVEST Participant Static Data
11	Fund's SID	O	15!c		Fund's SID from S-INVEST Fund Static Data
12	Buy/Sell	M	1!n	1: Buy 2: Sell	
13	Security Code	M	35x		Local Code
14	Security Name	O	100x		
15	Price	O	30n.6n		
16	Quantity/Face Value	M	30n.6n		

No	Field Name	M/O/C	Format	Value	Description
17	Pre-Allocation Reference No.	M	20x	Designated by IMs	
18	Remarks	O	1000x		
19	Cancellation Reason	C	1000x		Mandatory if 'Transaction Status' is "CANC"; if 'Transaction Status' is "NEWM" it shall be blank