

To
**The Board of Directors/
The Principal of Account Holders of KSEI**
In Place of Domicile

Jakarta, March 8th, 2016

Circular Letter

No. SE-0001/DIR-EKS/KSEI/0316

Regarding: **The Fund Settlement over Government Securities (SBN) Transactions for the Account Holders Other Than Custodian Banks**

Referring to the provisions of Point 2.2.3 of the Regulation of KSEI Number I-D regarding Fund Account (Attachment to the Decree of the Board of Directors of PT Kustodian Sentral Efek Indonesia (KSEI) Number: KEP-0020/I/DIR/KSEI/0615 dated June 3rd, 2015) regarding the overbooking of fund flow, we hereby convey the elucidation related to the procedure for the fund settlement over Securities Transactions particularly for SBN for the Account Holders other than Custodian Banks, with the following details:

1. Account Holders other than Custodian Banks, will be obliged to carry out the overbooking of fund from and/or into the Securities Account at KSEI through the clearing account under the name of KSEI at Bank Indonesia in the framework of the settlement of Securities Transactions particularly for SBN through C-BEST, by using the Rupiah (IDR) currency through BI-RTGS System, effective as of March 28th, 2016.
2. In the event of fund settlement over Securities Transactions particularly for SBN by using Rupiah (IDR) currency, the Account Holders other than Custodian Banks will be obliged to carry out with the following provisions:
 - a) Designating and delivering to KSEI in the form of 1 (one) Securities Sub-Account which will be used for the fund settlement over Securities Transactions particularly for SBN by fulfilling the following requirements:
 - i). May use Securities Sub-Account which has been previously owned or new Securities Sub-Account;

- ii). The Securities Sub-Account which will be used for the settlement of Securities Account particularly for SBN, is submitted by filling-in the form provided by KSEI and delivered to the Account Management Unit, the Custodian Services Division, at the latest at 12:00 WIB on March 24th, 2016;

- b) Overbooking of fund through bank into the clearing account of KSEI at Bank Indonesia by stating the bank code of KSEIIDJ1 as the recipient bank and the Securities Sub-Account as referred to in letter (a) mentioned above as the recipient account over the fund delivery obligation in the settlement of Securities Transactions particularly for SBN;

- c) Fund deposited in the Securities Sub-Account as referred to in letter (a) mentioned above shall only be used for the settlement of SBN Securities Transaction;

- d) Fund deposited in the Securities Sub-Account as referred to in letter (a) mentioned above shall not be overbooked into other Securities Accounts connected to the Payment Bank, by using the Book Transfer (BTS) instruction at the Cash Transfer module;

- e) Using the Securities Sub-Account as referred to in letter (a) mentioned above in the Participant Account-Cash column of the DVPBOND and RVPBOND instructions of Bond Management module;

- f) The rights over fund on the settlement of Securities Transactions particularly for SBN will be received by the Account Holders other than Custodian Banks in the Securities Sub-Account as referred to in letter (a) mentioned above;

- g) Register at C-BEST, the name of the account owner, the account number, and the name of the recipient bank over the operational clearing account and/or RDN, before making the fund withdrawal from the clearing account under the name of KSEI at BI-RTGS as the proceeds of fund settlement over the Securities Transaction particularly for SBN;

- h) Fund withdrawal from the clearing account under the name of KSEI at BI-RTGS shall only be carried out by giving Cash Withdrawal instruction on the Cash Transfer module by stating the name and number of the owner of the recipient account as well as the name of the recipient bank which has been registered at C-BEST.

3. The fund settlement over the Securities Transactions particularly for SBN by Account Holders other than Custodian Banks by using other than Rupiah (IDR) currency will remain to be carried out through the Payment Bank.
4. This Circular Letter will be effective starting as of its date of issuance.

Thus we convey the above, thank you for your attention.

Sincerely yours,

PT Kustodian Sentral Efek Indonesia

Margeret M. Tang
President Director

Copies sent to:

1. The Chief Executive of the Capital Market Supervisory of Financial Services Authority (OJK);
2. The Head of the Capital Market Supervisory Department of IIA of OJK;
3. The Executive Director of the Payment System Administration Department of Bank Indonesia;
4. The Director of Transaction and Securities Institutions of OJK;
5. The Director of Capital Market Regulatory of OJK;
6. The Director of Securities Transaction Supervisory of OJK;
7. The Board of Directors of PT Bursa Efek Indonesia;
8. The Board of Directors of PT Kliring Penjaminan Efek Indonesia;
9. The Indonesia Securities Companies Association;
10. The Indonesia Custodian Banks Association;
11. The Payment Banks of KSEI;
12. The Board of Commissioners of KSEI.