

To

Jakarta, November 13<sup>th</sup>, 2015

**The Board of Directors/**

**The Principal of Account Holders of KSEI**

In Place of Domicile

**CIRCULAR LETTER**

No. SE-0003/DIR-EKS/KSEI/1115

Regarding: **The Handling of Emergency Condition in the Settlement of Securities Transaction at PT Kustodian Sentral Efek Indonesia (KSEI) Related to Disruption Towards Generation 2 BI-RTGS and BI-SSSS System**

In relation to the plan for the implementation of Generation 2 BI-RTGS and BI-SSSS System ("**BI Gen2 System**") by Bank Indonesia, we hereby convey the mechanism for the settlement of Securities Transaction at KSEI involving BI Gen2 System as follows:

**1. Overbooking of Fund**

- a) In carrying out overbooking of fund in the framework of settlement of Securities Transaction through BI-RTGS System stipulated by Bank Indonesia ("**BI-RTGS System**"), the Participant who has made fund deposit through BI-RTGS System will be using *type code* TTC 104 (as the replacement of TRN IFTSX001) or TTC 114 (as the replacement of TRN IFTSX000) and will be using *type message* MT 103 on BI-RTGS System;
- b) In the event that BI Gen2 System cannot be used based on the stipulation from Bank Indonesia ("Emergency Condition"), then, the Participant who uses the CeBM (*Central Bank Money*) concept, particularly the Custodian Bank, will carry out the overbooking of fund in the framework of settlement of Securities Transaction with the following mechanism:
  - i. The Participant who uses the CeBM (*Central Bank Money*) concept, will appoint the Payment Bank to carry out overbooking of fund in the framework of settlement of Securities Transaction at KSEI;
  - ii. The Participant who uses the CeBM (*Central Bank Money*) concept, will ensure that the Settlement Clearing Account which is opened at the Payment

Bank, shall be connected to C-BEST, for the purpose of overbooking of fund in the framework of settlement of Securities Transaction at KSEI;

- iii. The entire Participants will be obliged to carry out the fund withdrawal from C-BEST to the Account of the Payment Bank by using the *Wire Transfer* ("WT") function at C-BEST.
- iv. For the settlement process of Financial Instrument transaction which is administered in the BI-SSSS (referring to the Regulation of Bank Indonesia No. 10/2/PBI/2008 regarding Bank Indonesia – *Scriptless Securities Settlement System* dated February 4, 2008), KSEI will appoint one of the Payment Banks which is a member of the National Clearing System of Bank Indonesia ("SKNBI") that can be used as the temporary depositing facility for the fund to be overbooked in the framework of settlement of Financial Instrument Transaction.
- v. Utilization of the Payment Bank by the Participant who has previously used the CeBM (*Central Bank Money*) concept and the utilization of SKNBI by KSEI through the Payment Bank appointed by KSEI, will be temporary in nature until the reestablishment of the utilization of BI-RTGS system by Bank Indonesia.

## **2. Overbooking of Financial Instrument**

In the event that BI-SSSS System cannot be used based on the stipulation of Emergency Condition from Bank Indonesia, then, the Participant who uses the *Sub Registry* services from KSEI, will carry out the overbooking of Financial Instrument with the following mechanism:

- a. Overbooking of fund involving the overbooking of Financial Instrument, will use the mechanism as referred to in point 1 of this Circular Letter.
- b. Upon the instruction for the overbooking of Financial Instrument delivered by the Participant, KSEI will carry out the instruction for overbooking of Financial Instrument to Bank Indonesia through the system stipulated by Bank Indonesia.

3. **Mechanism for the handling of other Emergency Conditions, will follow the mechanism stipulated by Bank Indonesia.**
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

**Syafruddin**  
Director

Copies sent to:

1. The Chief Executive of Capital Market Supervisory of Financial Services Authority (OJK);
2. The Director of Securities Transactions Supervisory of OJK;
3. The Director of Securities Institutions Supervisory of OJK;
4. The Director of Capital Market Regulatory of OJK;
5. The Executive Director of the Payment System Management Department of Bank Indonesia;
6. The Indonesian Custodian Bank Association;
7. The Payment Bank of KSEI; and
8. The Board of Commissioners of KSEI.