

To the Board of Directors of Clearing Members
To the Board of Directors of KSEI Account Holders
At Their Respective Place of Domicile

Jakarta, March 22, 2024

JOINT CIRCULAR LETTER
Number: SE-003/DIR/KPEI/0324
Number: SE-0002/DIR-EKS/KSEI/0324

Regarding : Procedure for the Utilization of Securities Accounts on the Settlement of Securities Derivative Contract Transaction

Dear Sirs/Madams,

In relation to the effort to improve the efficiency and effectiveness for the settlement of Securities Derivative Contract transaction by using the Securities Account in the mechanism for the settlement of Securities Derivative Contract transaction through self-regulatory organization infrastructure, the implementing provisions are needed related to the procedure for the utilization of Securities Account on the settlement of Securities Derivative Contract transaction which will further explain the matters that must be fulfilled by the Clearing Members who constitute KSEI Account Holders by continue observing the following regulations:

- I. Regulation of the Financial Services Authority Number 32/POJK.04/2020 regarding Securities Derivative Contract (State Gazette of the Republic of Indonesia of the Year 2020 Number 129, Supplement to the State Gazette of the Republic of Indonesia Number 6513);
- II. Regulation of the Financial Services Authority Number 22/POJK.04/2019 regarding Securities Transaction (State Gazette of the Republic of Indonesia of the Year 2019 Number 168, Supplement to the State Gazette of the Republic of Indonesia Number 6387);
- III. Regulation of the Financial Services Authority Number 74/POJK.04/2017 regarding the Securities Sub-Account at the Central Securities Depository (State Gazette of the Republic of Indonesia of the Year 2017 Number 295, Supplement to the State Gazette of the Republic of Indonesia Number 6163);
- IV. Regulation of KPEI Number III-1 regarding the Clearing Members Obtaining Clearing and Guarantee Services for the Settlement of Securities Derivative Contract Transaction (Attachment to the Decree of the Board of Directors of KPEI Number Kep-011/DIR/KPEI/0324 dated March 22, 2024);
- V. Regulation of KPEI Number III-2 regarding Clearing and Guarantee for the Settlement of Future Contract Transaction (Attachment to the Decree of the Board of Directors of KPEI Number Kep-012/DIR/KPEI/0324 dated March 22, 2024);
- VI. Regulation of KPEI Number VIII regarding Sanctions for the Clearing Members (Attachment to the Decree of the Board of Directors of KPEI Number Kep-013/DIR/KPEI/0324 dated March 22, 2024);
- VII. Regulation of KSEI Number I-B regarding Main Securities Account (Attachment to the Decree of the Board of Directors of KSEI Number KEP-0014/DIR/KSEI/0224 dated February 15, 2024); and
- VIII. Regulation of KSEI Number I-C regarding Securities Sub-Account (Attachment to the Decree of the Board of Directors of KSEI Number KEP-0015/DIR/KSEI/0224 dated February 15, 2024).

Based on the abovementioned provisions, hereby it is conveyed the elucidation over the procedure and requirement regarding such matter:

1. General Provisions

The Clearing Members who constitute KSEI Account Holders shall fulfill the provisions as stipulated in the User Guidelines for C-BEST Securities Account, the User Guidelines for C-BEST File Upload, as well as CIRT System Design Document issued by KSEI from time to time (hereinafter will be referred to as "**Guidelines of KSEI**").

2. Types of Securities Account for KPEI Securities Derivative Contract Transactions

Securities Account used in the Securities Derivative Contract transaction covers:

- 2.1. **Main Securities Account for KPEI Securities Derivative Contract Transaction Safety Fund** which hereinafter will be referred to as the “**KPEI Securities Derivative Contract Safety Fund Account**” shall be the Main Securities Account used by the Clearing Members who constitute KSEI Account Holders for the depositing of Safety Fund.
- 2.2. **Main Securities Account of Guarantee for KPEI Securities Derivative Contract** shall be the Main Securities Account used by the Clearing Members who constitute KSEI Account Holders for the placement of Collateral in the form of Securities and/or fund which can be used by KPEI to settle the Securities Derivative Contract transaction and/or to settle the obligations of the Clearing Members who constitute KSEI Account Holders to KPEI from and/or to the Main Securities Account for the Settlement of KPEI Securities Derivative Contract.
- 2.3. **Main Securities Account for the Settlement of KPEI Securities Derivative Contract** shall be the Main Securities Account used by the Clearing Members who constitute KSEI Account Holders for the settlement of rights and obligations related to fund from and/or to the Main Securities Account of Operational for KPEI Securities Derivative Contract Transaction.
- 2.4. **Main Securities Account of Operational for KPEI Securities Derivative Contract Transaction** shall be the Main Securities Account owned by KPEI used to deliver the fund obligations of the Clearing Members who constitute KSEI Account Holders to KPEI and/or to receive fund rights from KPEI to the Clearing Members who constitute KSEI Account Holders related to the settlement of Securities Derivative Contract transaction.
- 2.5. **Securities Sub-Account for KPEI Guarantee for Securities Derivative Contract** shall be the Securities Sub-Account used by the clients of the Clearing Members who constitute KSEI Account Holders for the settlement of Securities Derivative Contract transaction of the client.

3. Procedure for the Utilization of Securities Account

- 3.1. In the framework of utilization of Securities Account for KPEI Securities Derivative Contract transaction as referred to in the provision of number 2 above, the Clearing Members who constitute KSEI Account Holders shall obtain the Principal Approval Letter from KPEI and have signed the Agreement on the Provision of Clearing Services and the Guarantee for the Settlement of Securities Derivative Contract Transaction.
- 3.2. The submission of application for the opening, the modification, and the closing of KPEI Securities Derivative Contract Safety Fund Account, the Main Securities Account for KPEI Guarantee for Securities Derivative Contract, Main Securities Account for the Settlement of KPEI Securities Derivative Contract, and the Main Securities Account on the Operational for KPEI Securities Derivative Contract Transaction are carried out by KPEI by following the procedure as stipulated by KSEI in the User Guidelines for C-BEST Securities Account issued by KSEI from time to time and by continue observing the provisions in the Regulation of KSEI Number I-B regarding Main Securities Account.
- 3.3. The opening, the modification, and the closing of Securities Sub-Account for KPEI Guarantee for Securities Derivative Contract can be carried out by the Clearing Members who constitute KSEI Account Holders directly through C-BEST by following the procedure as stipulated by KSEI in the Guidelines of KSEI and by continue observing the provisions in the Regulation of KSEI Number I-C regarding Securities Sub-Account.

4. **The Clearing Members who constitute KSEI Account Holders shall ensure that the Securities Account used in the Securities Derivative Contract transaction may only be used to facilitate their own interest or the interest of the relevant clients.**

This Circular Letter will be effective starting as of March 25, 2024.

Thus therefore, for your information.

Regards,

PT Kliring Penjaminan Efek Indonesia

PT Kustodian Sentral Efek Indonesia

Iding Pardi
President Director of KPEI

Samsul Hidayat
President Director of KSEI

Copies sent to:

1. The Chief Executive Supervisor of Capital Market, Derivative Finance and Carbon Exchange of the Financial Services Authority;
2. The Head of Department for the Regulatory and Development of Capital Market of the Financial Services Authority;
3. The Head of Department for the Supervisory of Investment Management and Regional Capital Market of the Financial Services Authority;
4. The Director for the Regulatory and Accounting Standard of Capital Market of the Financial Services Authority;
5. The Director for the Development of Capital Market and Sharia Capital Market of the Financial Services Authority;
6. The Director for the Supervisory of Securities Institutions and Supporting Institutions of the Financial Services Authority;
7. The Association of Indonesian Securities Companies;
8. The Association of the Indonesia Custodian Banks;
9. The Board of Directors of PT Bursa Efek Indonesia;
10. The Board of Commissioners of PT Kliring Penjaminan Efek Indonesia;
11. The Board of Commissioners of PT Kustodian Sentral Efek Indonesia.