

To the Board of Directors/Principal of:
The Account Holders of KSEI

February 24, 2020

CIRCULAR LETTER

No. SE-0001/DIR-EKS/KSEI/0220

Regarding: **The Mechanism for the Registration of Ownership, Overbooking, and Submission of Single Investor Identification (SID) over the State Bonds**

In the framework of curbing the administration of State Bonds (SBN), then, with due observance of the following provisions:

- I. The Regulation of the Minister of Finance No. 31/PMK.08/2018 regarding the Sales of Retail State Bonds in Domestic Primary Market;
- II. The Board of Governors' Regulation of Bank Indonesia Number 20/4/PADG/2018 regarding the Management of Securities Through Bank Indonesia Scripless Securities Settlement System;
- III. The Regulation of KSEI regarding the Central Custodian Services (Attachment to the Decree of the Board of Directors of PT Kustodian Sentral Efek Indonesia Number KEP-0013/DIR/KSEI/0612 dated June 11, 2012);
- IV. The Regulation of KSEI No. I-E regarding Single Investor Identification (SID) (Attachment to the Decree of the Board of Directors of PT Kustodian Sentral Efek Indonesia No. KEP-0029/DIR/KSEI/0616 dated June 21, 2016); and
- V. The Memorandum of Information from each issued SBN,

whereas KSEI as the Central Securities Depository acting as the Sub-Registry for the administration of SBN, considers it necessary to regulate the procedure and provisions related to the mechanism for the registration of ownership, overbooking, and submission of SID over SBN, with the following provisions:

1. In the event that the Account Holder uses KSEI as the Sub-Registry to administer SBN, it will be obliged to fulfill the requirements, among other:
 - 1.1. Comply with the provisions in the Memorandum of Information of each issued SBN.
 - 1.2. Ensure the Clients SID fulfills the ownership requirements as stipulated in the Memorandum of Information of each issued SBN.
 - 1.3. Responsible for the conformity of the Clients' data, including the changes, and have carried out the application process of Customer Due Diligence, as well as deliver it to KSEI.
 - 1.4. Distribute the proceeds from the implementation of interest/profit sharing payment (coupon) or remuneration as well as the repayment of principal redemption/nominal of SBN to the Clients on the same date as the date of receipt of the fund from KSEI by the Account Holder.

2. The procedure for the application for the submission of Single Investor Identification (SID) for the Clients of SBN.
 - 2.1. The Account Holder and/or the Distribution Partner (“Midis”), who have carried out the application process of Customer Due Diligence towards the candidate Clients, will be obliged to submit application for the creation of SID in accordance with the provisions as stipulated in the Regulation of KSEI.
 - 2.2. The Account Holder will be obliged to ensure that the Clients’ SID has been registered through ORCHiD at the time:
 - a. before placing an order at the primary market; and
 - b. before the settlement date at the secondary market.
 - 2.3. The Account Holder will be obliged to deliver SID which has been created and in accordance with the provisions in the Regulation of KSEI to the Clients both directly and through Midis.
3. This Circular Letter will be effective starting as of February 24, 2020.

Thus therefore, we convey the above. Thank you for your attention.

Regards,

PT Kustodian Sentral Efek Indonesia

Uriep Budhi Prasetyo
President Director

Syafruddin
Director

Supranoto Prajogo
Director

Copies sent to:

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