

To
The Board of Directors/The Principal of KSEI Participant
In the Place of Domicile

Jakarta, June 8, 2020

CIRCULAR LETTER
NO. SE-0003/DIR-EKS/KSEI/0420

Regarding: **Reporting and Settlement Mechanism on Repurchase Agreement (Repo) Transaction**

For the purpose of fulfilling the market needs over the reporting and settlement process of Repurchase Agreement Transaction ("Repo Transaction") by the Participant to KSEI as the form of fulfillment towards the Regulation of KSEI Number V-G regarding the Reporting and Settlement of Repo Transaction (Attachment to the Decree of the Board of Directors of PT Kustodian Sentral Efek Indonesia Number: KEP-0036/DIR/KSEI/1215) dated December 17, 2015, then, will be required adjustment to the provisions over the reporting and monitoring of Repo Transaction on the ORCHiD system. Hereby we convey those matters that must be fulfilled by KSEI Participant in the reporting and settlement process of Repo Transaction mechanism as following:

1. General Provisions

In reporting Repo Transaction, the seller Participant shall first submit the Repo Transaction reporting and the buyer Participant shall make the confirmation over the said reporting into ORCHiD system before submitting Repo Transaction settlement instruction at C-BEST.

2. Types of Instruction

Types of instruction submitted in Repo Transaction reporting into ORCHiD system are as following:

- a) Repo Transaction on Repo Opening Transaction.
- b) Addition to Securities or funds in Repo Transaction upon the same contract number, using Top Up instruction in ORCHiD system.
- c) Reduction of Securities or funds in Repo Transaction upon the same contract number, using Withdrawal instruction in ORCHiD system.
- d) Substitution of Securities at Repo Transaction upon the same contract number, using Substitution instruction in ORCHiD system.
- e) Replacement of maturity date of Repo Transaction upon the same contract number, either accelerated or extended, using Trade Adjustment instruction in ORCHiD system.
- f) Cancellation of Repo Opening Transaction reporting upon the same contract number, using Cancellation instruction in ORCHiD system.

- g) On the maturity date of the Repo Transaction, ORCHiD system shall automatically generate Repo Closing Transaction reporting and it shall be confirmed by the Participants from both parties.

3. Reporting Mechanism of Repo Transaction

In relation to Repo Transaction made either for the interest of the Participant or for the interest of the Client, then, the said Repo Transaction reporting shall be made by the Participant in the following procedures:

- a) Repo Transaction reporting will be made through ORCHiD system with 'Repo' menu.
- b) Instruction for Repo Transaction reporting shall be made by the seller Participant and it shall be confirmed by the buyer Participant.
- c) To make Repo Transaction reporting, the Participant shall make input on Repo Opening Transaction menu.
- d) The Participant shall complete all information related to Repo Transaction into the available column in Repo Opening Transaction function pursuant to the related Repo Transaction contract.
- e) The Participant shall ensure that the written agreement on Repo Transaction has had contract number as the basis for Repo Transaction.
- f) Any changes to Repo Transaction upon the same contract number related to the mechanism for the addition of Securities (Top Up), the reduction of Securities (Withdrawal), the substitution of Securities (Substitution) and the replacement of maturity date (Trade Adjustment), may be reported through ORCHiD system by the Participant as long as Repo Transaction has not been matured.
- g) Cancellation of Repo Opening Transaction reporting at ORCHiD system shall be made before the Participant makes Repo Transaction settlement process (Repo Opening Transaction) at C-BEST.
- h) The change of Repo Transaction at ORCHiD system may be made through functions of:
 - 1) Cancellation: used to cancel Repo Opening Transaction reporting.
 - 2) Top Up/Withdrawal: used to add or reduce Securities and fund.
 - 3) Substitution: used to substitute Securities.
 - 4) Trade Adjustment: used to replace maturity date of Repo Closing Transaction, either the term of the contract period is accelerated or extended.
- i) The Cancellation over the reporting by continue observing the mechanism as referred to in point 3 letter g and the replacement of the maturity date (Trade Adjustment) can be carried out at the latest at 17:00 WIB on 1 (one) Business Day before maturity date.

- j) Reporting of Repo Closing Transaction shall be generated automatically by ORCHiD system on the maturity date which is mentioned at the time of Repo Transaction reporting. The Participant, either the seller Participant or the buyer Participant, shall confirm the closing report on the said Repo Transaction. Confirmation on the closing report on the said Repo Transaction shall be made through ORCHiD system by means of Repo Closing Confirmation function.
- k) In the event that the maturity date of Repo Transaction is not mentioned at the time of Repo Opening Transaction reporting, then, the closing report on Repo Transaction shall be made manually. Repo Transaction closing shall be made at ORCHiD system by means of Repo Closing Transaction function.
- l) For each Repo Transaction reporting in the form of Repo Opening Transaction, the addition of Securities (Top Up), the reduction of Securities (Withdrawal), the Substitution of Securities (Substitution), and Repo Closing Transaction shall be generated reference number (external reference). The said reference number (external reference) shall be used for the settlement process taking place due to Repo Transaction at C-BEST.

4. Settlement Mechanism of Repo Transaction.

- a) Repo Transaction settlement through C-BEST shall be made by using the “clearing & settlement” module.
- b) For the purpose of Repo Transaction settlement process at C-BEST, the Participant shall use the information which has been reported on Repo Transaction reporting at ORCHiD system.
- c) The making of settlement instruction shall use information in text file (.txt) or excel file (.xls) formats downloaded through ORCHiD system to be further uploaded or input manually at C-BEST screen.

5. With the enactment of KSEI’s Board of Directors’ Circular Letter No. SE-0003/DIR-EKS/KSEI/0420 dated June 8, 2020, regarding the Reporting and Settlement Mechanism on Repurchase Agreement (Repo) Transaction, then, KSEI’s Board of Directors’ Circular Letter No. SE-0003/DIR-EKS/KSEI/0916 dated September 6, 2016, regarding the Reporting and Settlement Mechanism on Repurchase Agreement (Repo) Transaction is revoked and declared of being no longer valid.

6. This Circular Letter will be effective starting as of June 8, 2020.

Thus, 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 the Capital Market Supervisor of the Financial Services Authority (OJK);
2. The Director of Securities Transaction Supervisory of OJK;
3. The Director of Securities Institutions Supervisory of OJK;
4. The Director of Capital Market Regulation of OJK;
5. The Board of Director of PT Bursa Efek Indonesia;
6. The Board of Directors of PT Kliring Penjaminan Efek Indonesia;
7. The Indonesian Custodian Banks Association;
8. The Indonesian Securities Companies Association;
9. The Board of Commissioners of KSEI; and
10. The Board of Directors of KSEI.