

ksei news

KSEI BECOMES BEST CENTRAL CUSTODIAN IN SOUTHEAST ASIA FOR THE THIRD TIME



KSEI Becomes
Best Central Custodian
in Southeast Asia

03

KSEI Boosted
Customers' Satisfaction
in 2019

05

KSEI Implements Split Operation
and Work from Home to Maintain
Continuity of Service

08

EDITION

01

Jan - Mar 2020

From The Editors

The Indonesia Central Securities Depository (KSEI) continues to launch various innovations to improve transaction accessibility in the Indonesian Capital Market. Through its consistent contributions in the development of the Indonesian Capital Market, KSEI once again was awarded by Alpha Southeast Asia as the Best Central Securities Depository in Southeast Asia during the 13th Annual Best Deal and Solution Awards 2019 in Kuala Lumpur, Malaysia on February 24, 2020.

The year 2020 has become a challenging year for financial institutions throughout the world, including in Indonesia, due to the Corona Virus Disease (Covid-19). As the Pandemic adversely impacted the world's economy, the Financial Services Authority (OJK) and SROs stood-by the Government's efforts to prevent the spread of Covid-19 by implementing split operation and work at home policies, which are covered in more detail in this edition of KSEI News.

On a different subject, KSEI has launched another successful Customer Satisfaction survey for its Service Users. The Survey was a routine annual activity and is part of KSEI's efforts to meet with its ISO9001:2008 requirements on focusing on customers' satisfaction.

We, the Editors, also express our hope that the Covid-19 Pandemic can be resolved soon, and all activities can return back to normal.

Happy Reading!

The Editors

KSEI BECOMES BEST CENTRAL CUSTODIAN IN SOUTHEAST ASIA FOR THE THIRD TIME



KSEI awarded for its successful implementation of the Full CeBM and development of Next-G in 2019, which followed similar achievements in 2016 and 2018.

The Indonesia Central Securities Depository's (KSEI) received international recognition for its consistency in contributing to the development of the Indonesian Capital Market and awarded as the 2019 Best Central Securities Depository in Southeast Asia during the 13th Annual Best Deal and Solution Awards 2019 in Kuala Lumpur, Malaysia, on February 24, 2020.

The award by Alpha Southeast Asia was given for KSEI's contributions in advancing the Indonesian Capital Market throughout 2019, which included the implementation of the Full Central Bank Money (Full CeBM) system and the development of AKSes Next Generation (AKSes-Next G).

This was not the first time that KSEI has earned the title of Southeast Asia's Best Central Securities Depository, as the Self Regulatory Organization (SRO) has won similar awards in 2016 and 2018.

KSEI President Director Uriep Budhi Prasetyo stated that KSEI was incredibly proud of receiving the award for its third time. The support and cooperation of the Financial Services Authority (OJK), Self Regulatory Organizations (SRO), and capital market participants contributed significantly to KSEI's success in finalizing and implementing its development programs and new innovations for the Indonesian Capital Market industry throughout 2019.

"This award is a motivation for KSEI to continue its infrastructure development, as laid out in the strategic plan it has formulated, as well as creating other innovations that are based on the needs of capital market industry participants," Uriep added.

Strategic Program Implementation

Based on its established strategic plan, KSEI has implemented the C-BEST (Central Depository and Book Entry Settlement System) Next Generation (Next-G) since December 9, 2019. C-BEST Next-G provides additional modules for Corporate Actions (CA), which replaces the previous CA process of the old C-BEST system.

New dynamics and advancements in the capital market industry have prompted KSEI to pursue this development and continue to innovate and improve its main system's capabilities, based on the market's needs.

According to Uriep, KSEI's collaboration with Nasdaq, as C-BEST's development vendor, was crucial in upgrading the C-BEST System. Furthermore, C-BEST Next G's processing speed has also been increased by four times, from 20,000 instructions per minute to 80,000 instructions per minute. Compared to its predecessor, the current version of C-BEST can also process instructions 40 times faster than before. The increased capacity also supports the expansion of the Indonesian Capital Market and hopefully can accommodate the surge in investor numbers in the Indonesian Capital Market.

In the first quarter of 2020, KSEI has also successfully executed other strategic plans that were formulated last year, including the Public Housing Savings (Tapera) project and the Account Opening Simplification program.

Tapera's goal itself is to gather and provide cheap, sustainable, and long-term funding to finance adequate and affordable housing for its participants through integrated planning, programs, and activities.

To support the Government's Tapera program, KSEI has taken the role as the provider of Tapera's management system, which is developed based on the S-INVEST system (S-INVEST Tapera) in compliance with existing regulations and business processes. Tapera funds will be managed through a collective investment contract, and its clients will automatically receive SIDs, which will be recorded at KSEI.

For the Simplified Account Opening process, KSEI has developed a hub for KSEI Account Holders (Securities Companies and Custodian Banks) and S-INVEST Users (Mutual Fund Selling Agents and Investment Managers) to verify Citizenship Identity Numbers (NIK) at the Ministry of Home Affairs' Directorate General of Population and Civil Records (Ditjen Dukcapil) for their Investor Know Your Client (KYC) processes.

"The next phase of development will involve a pilot project with 10 Securities Companies in Q1 of 2020. Through this Hub, the Securities Companies will be connected directly to KSEI for NIK verifications by Ditjen Dukcapil," Uriep explained.

The Hub will also connect to the Directorate General of Taxation for Investors' Tax Identification Number (NPWP) verification. The development of the Hub aims to provide better accessibility for KSEI Account Holders and S-INVEST Users through direct connections with Dukcapil and soon, the DG of Taxation. For the next step of the plan, KSEI is currently formulating a Business Requirement Specification for the Simplified Account Opening Process.

(Editor/MT)



"This award is a motivation for KSEI to continue its infrastructure development, as laid out in the strategic plan it has formulated, as well as creating other innovations that are based on the needs of capital market industry participants,"



CUSTOMER SATISFACTION SURVEY 2019



KSEI BOOSTED CUSTOMERS' SATISFACTION IN 2019

KSEI received an 83.62% Customer Satisfaction Index (CSI) rate in 2019, the highest it has ever achieved since its first Survey. KSEI's implementation of the C-BEST Next G and other supporting systems contributed to the high customer satisfaction rate.

KSEI received an 83.62% Customer Satisfaction Index (CSI) rate in 2019, the highest it has ever achieved since its first Survey. KSEI's implementation of the C-BEST Next G and other supporting systems contributed to the high customer satisfaction rate.

The Indonesia Central Securities Depository (KSEI), as one of the Indonesian Capital Market's Self-Regulatory Organization (SRO), continuously strives to achieve its Company's mission of becoming a more effective,

efficient, safe and trusted Central Custodian. KSEI hopes to become a Central Custodian that can actively support the creation of a globally competitive Indonesian Capital Market by utilizing the latest technologies.

Therefore, it is crucial for KSEI to monitor the satisfaction rate and receive direct inputs and information on Service Users' wishes regarding the services that KSEI provides. The Survey's results are used as a basis for KSEI to continuously improve and increase the quality of the services it offers to fulfill the hopes of KSEI Service Users.

The Survey is also needed to fulfill KSEI's ISO-9001:2008 requirement of Focusing on Customers.

Therefore, in 2019, KSEI conducted another survey to measure the satisfaction of its customers regarding KSEI's systems, including its communication and other Central Custodian services. The 2019 Customer Satisfaction Survey involved all KSEI Service Users and focused on customer service, information service, communication, technology, transaction process, business and systems development, and introduction of KSEI new products.

The Survey started with the online and offline distribution of questionnaires in October 2019. The offline Survey's questionnaires were handed out to parties that have collaborated with KSEI, SROs, the Financial Services Authority (OJK), and Bank Indonesia (BI). Meanwhile, the online distribution was sent to Service Users in a special link via KSEI's official email.

After the distribution of questionnaires, the Survey held in-depth interviews on November - December 2019 with several Securities Companies, Custodian Banks, Mutual Fund Selling Agents, Investment Managers, and Issuers. This was followed by a Focus Group Discussion (FGD) involving representatives of Securities Companies, Custodian Banks, Issuers, and Registrars in January 2020.

The FGD resulted in the KSEI 2020 Action Plan, which was jointly formulated by the Discussion's participants. The Action Plan itself was based on detailed Customer Satisfaction measurements, which include measures on customer service, information service, communication, technology, call center service, settlements, and the KSEI AKSes facility.

The number of respondents for KSEI's 2019 Customer Satisfaction Survey was also much higher than in previous years, with the number and spread of targeted and realized respondents indicated in Table 1.1.

Tabel 1.1. Targeted and Actual Questionnaire Respondents

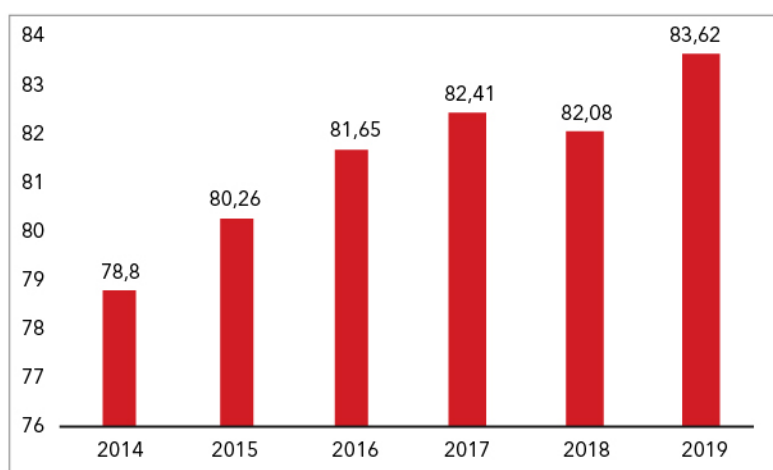
Respondent Type	Target	Actual	%
Securities Companies	107	100	93,5%
Custodian Banks	22	21	95,5%
Registrars	10	10	100%
Customer Account Fund and Payment Banks	16	14	87,5%
Vendors	5	7	140%
Mutual Fund Selling Agents (S-INVEST Users)	32	30	93,8%
Investment Managers (S-INVEST Users)	49	47	95,9%
Securities Companies (S-INVEST Users)	9	59	655,6%
Custodian Banks (S-INVEST Users)	9	12	133,3%
Dealer Banks (S-INVEST Users)	12	3	25%
Issuers	436	183	41,97%

To achieve a more optimal result, KSEI did not limit the Survey on recommendations, opinions, and hopes from its Service Users only. KSEI also actively engaged its vendors, the OJK, BI, and SROs in the Survey. To this effect, KSEI also handed out Survey questionnaires off-line to the BI, OJK, Indonesia Stock Exchange, the Indonesian Clearing and Guaranteeing Corporation (KPEI), and vendors that have worked with KSEI in 2019.

Survey Results

After a long process and with the help of the University of Indonesia Faculty of Economy's Management Institute (LMFEB-UI), as an independent consultant, the Survey showed very satisfactory results. KSEI's received an 83.62% CSI rating for 2019, which not only surpassed its 2018 rating but was also the highest rating that KSEI has achieved in history. The increase in KSEI's CSI rating since 2014 can be observed in Graphic 2.1.

Graphic 2.1. KSEI Customer Satisfaction Index 2014-2019



This increase was supported by the successful and stable implementation of C-BEST Next-G, which was achieved within one year and provided better accessibility and efficiency to the operational activities of all KSEI Service Users. In addition, other KSEI supporting systems, such as the ORCHID, Issuer's Area, and AKSes KSEI systems, also contributed positively in providing services that met the high expectations of KSEI Service Users.

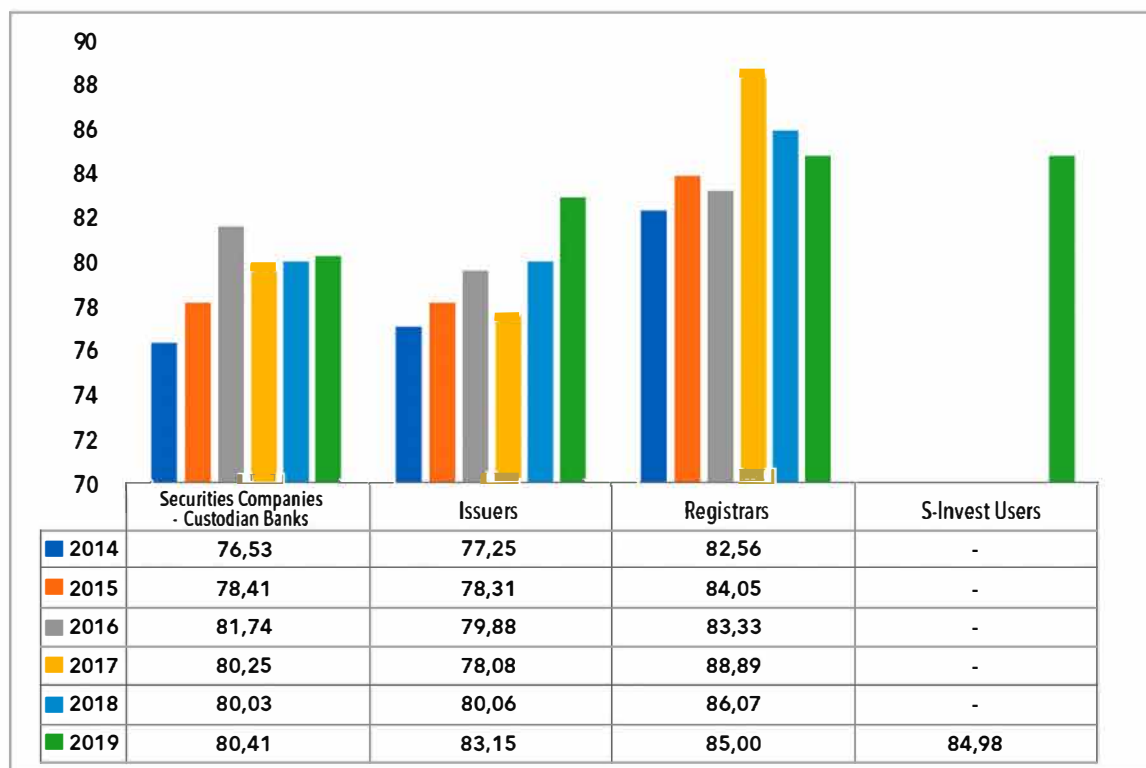
The significant changes in the look and features of the C-BEST Next-G, compared to the old C-BEST system, did not deter KSEI's Service Users. In fact, the new and more diverse features provided better accessibility for Users in their operational activities.

Compared to 2018, the most significant surge in the Customer Satisfaction Index was among Issuer respondents as their CSI number increased from 80.06 to 83.15. Meanwhile, among Registrar respondents, there was a dip from 86.07 to 85. However, the Customer Satisfaction Index of Registrar Respondents as a group is still the highest among other groups of respondents. In 2019, KSEI also included S-INVEST Users in the general Customer Satisfaction Index, in which S-INVEST Users gave KSEI a relatively high score of 84.98. The number only increased minimally among Securities Companies and Custodian Banks, from 80.1 to 80.41. Graphic 2.2. below shows the Customer Satisfaction Index per KSEI Service User Groups.

Although the 2019 KSEI Service Users Customer Satisfaction Index results have exceeded OJK established targets, KSEI will not just rest on its laurels. On the contrary, KSEI will continue to challenge itself in maintaining and improving its services for all stakeholders. KSEI has also committed itself in doing the best it can in all aspects of its business, so it may provide standardized, safe, accurate, regular, timely, and regionally competitive services that can improve the Indonesian Capital Market.

(Editor/MT)

Graphic 2.2. KSEI Customer Satisfaction Index 2014-2019 per Service User Group



Note: S-INVEST Users were only surveyed in 2019



KSEI IMPLEMENTS SPLIT OPERATION AND WORK FROM HOME TO MAINTAIN CONTINUITY OF SERVICE

The Indonesia Central Securities Depository maintained its continued service during the Covid-19 Pandemic by implementing a Split Operation policy. KSEI Service Users are still requested to maintain business activities as normal.

C The Corona Virus Disease 2019 (Covid-19) has terrorized the world with its casualties and negative impacts on the global economy. The threat of an economic downturn has also created panic selling in Stock Markets in Indonesia and the rest of the world.

In order to alleviate the panic among market participants, the Financial Services Authority (OJK), and SROs have launched at least nine stimuli and made sure that trading activities continued without disruption.

As one of the SROs in the Indonesian Capital Market, the Indonesia Central Securities Depository (KSEI) has stated its commitment to maintaining its

business operation and services for its Service Users. KSEI fulfilled this commitment by splitting its operation to several locations (Split Operation), as well as providing Work From Home options to its staff.

The efforts themselves are based on the President of the Republic of Indonesia's appeals and OJK Instructions for social distancing and avoidance of direct contact.

KSEI President Director Urip Budhi Prasetyo stated that the decision to implement a Split Operation on March 16, 2020, was part of KSEI's commitment to maintaining its business operations and services to Users.

"However, as the situation developed, KSEI's management decided to also implement a full Work From Home policy as of March 23, 2020. In the days ahead, KSEI will continue to monitor the development and current conditions in Jakarta, as well as complying with instructions from the Government and OJK," said Uriep.

According to Uriep, through coordination between its management and staff, KSEI will continue to maintain smooth running operational activities despite the Split Operation. Therefore, KSEI hopes that its Service Users will also be able to conduct their businesses as usual.

He noted that during the full Work From Home period, all KSEI activities continued as normal. Activities that involved person-to-person direct contact and interactions were limited until an unknown period of time. Meeting activities were mostly done through conference calls to avoid face-to-face meetings. "As an anticipatory measure to the Covid-19 Emergency, KSEI will also open connections to its main system for participants who plan to implement Work from Home policies for their employees," he added.

Adjusted C-BEST Operational Hours

No	Instruction Type	Normal Cut-Off Time Western Indonesia Time Zone (WIB)	Adjusted Cut-Off Time Western Indonesia Time Zone (WIB)
1	Exercise Warrant	15.00	14.00
2	Over the Counter Transactions DVP/RVP	16.00	15.00
3	Over the Counter Transactions DVP/RVP Bond	16.00	15.00
4	Cash Withdrawal	16.30	15.15
5	Over the Counter Transactions FOP Bonds External		
6	Over the Counter Transactions DFOP/RFOP	16.30	15.30
7	Over the Counter Transactions FOP Bonds Internal	17.00	16.00
8	Book Transfer (BTS) Instructions	17.00	16.00
9	Securities Deposit (SECD)	17.00	16.00
10	Securities Withdrawal (SECW)	17.00	16.00
11	KPEI-KSEI SYNC Message Instructions	17.00	16.00

Adjusted S-INVEST Operational Hours

No	Instruction Type	Normal Cut-Off Time Western Indonesia Time Zone (WIB)	Adjusted Cut-Off Time Western Indonesia Time Zone (WIB)
1	Transfer of Subscription Funds from Selling Agent Banks to Fund Cash Accounts	15.00	14.00
2	Cash Withdrawal	16.30	15.15
		Auto Withdrawals for 12:00 WIB and 15:00 WIB will still remain as normal	

Operational Restrictions

Despite maintaining regular services, KSEI has imposed several restrictions on the Company's operational activities to comply with Government recommendations and OJK instructions to reduce the spread of the Coronavirus.

These operational restrictions include changing the cut-off times for sending instructions, recording, and reporting through the C-BEST and S-INVEST systems by KSEI Service Users.

Uriep noted that the adjustments were implemented due to the shortened operational hours for Bank Indonesia's Real Time Gross Settlement (BI-RTGS) and trading time at the Indonesia Stock Exchange. "On average, we at KSEI, have moved our operational time one hour forward from our previous hours," he explained.

The adjusted time is only temporary and came to effect as of Monday, March 30, 2020. With the adjusted operational times, cut-off times that are specified in KSEI's prevailing Regulations and Announcements are no longer applicable.

Uriep also expressed his hope that KSEI Service Users can adjust their operational activities to ensure that all instructions sent through C-BEST and S-INVEST, can be processed based on the adjusted hours.

Besides the time adjustments, and to maintain KSEI's continued service during the Covid-19 emergency period, KSEI also tested the capabilities and readiness of its Disaster Recovery Center (DRC) by activating the DRC Facility on March 26 to 27, 2020.

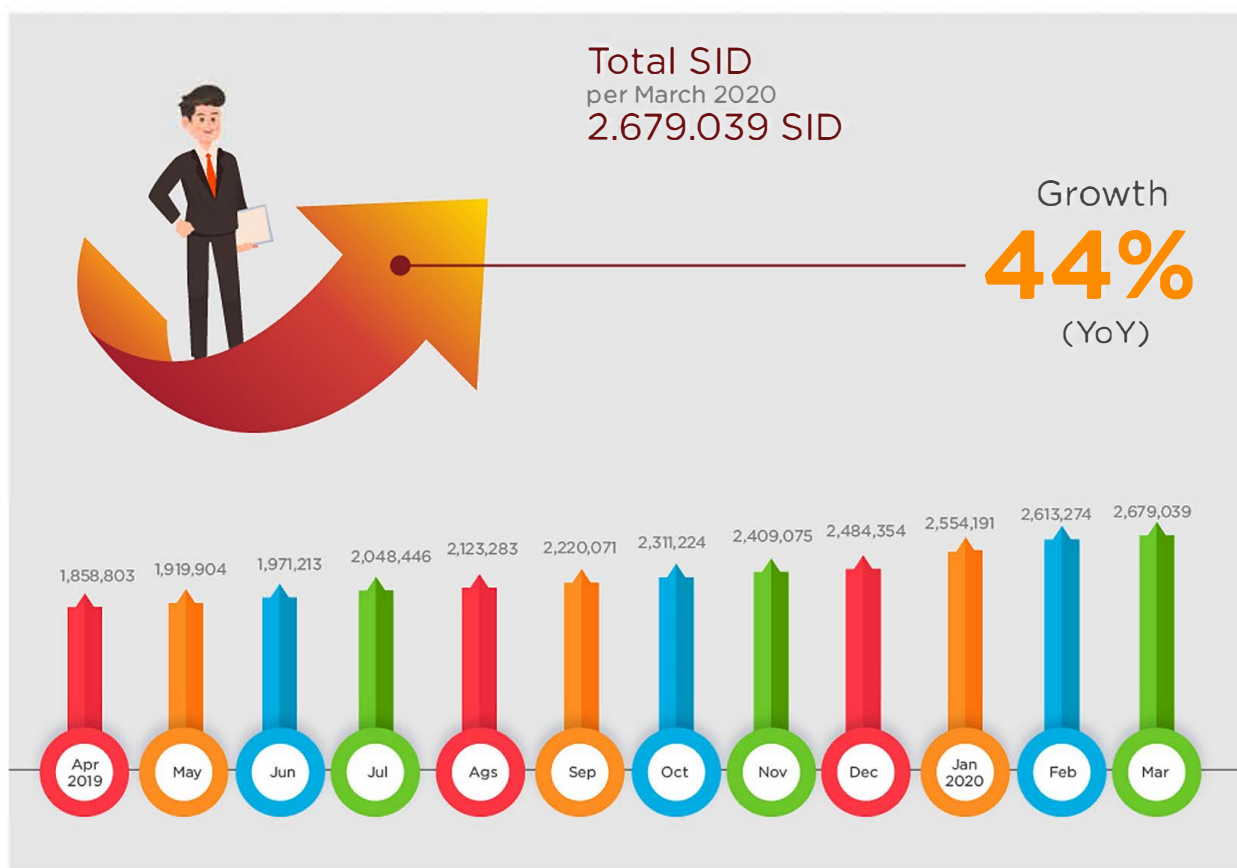
During the two days, all operational deposit services and Securities Transactions settlements in the Capital Market were transferred to a back-up system in order to check for any problems to KSEI's Main Systems in the event that all operational activities can only be done through the back-up system. "The DRC was activated on March 26 morning and ran without any problems," said Uriep.

(Editor/ MT)

Statistic

Single Investor Identification (SID) Growth

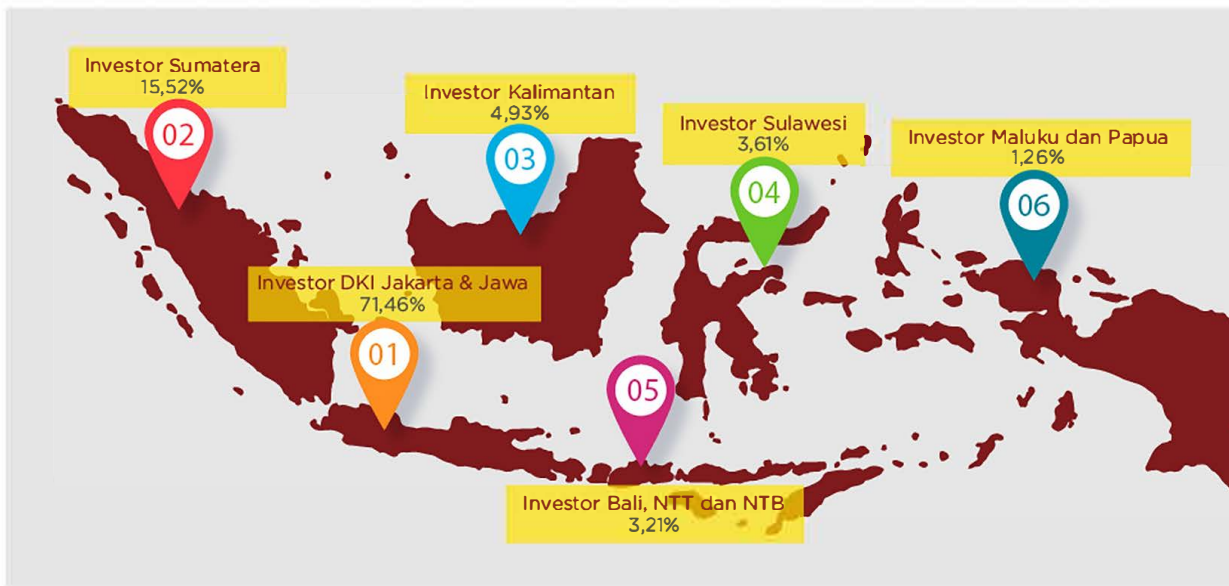
April 2019 - March 2020



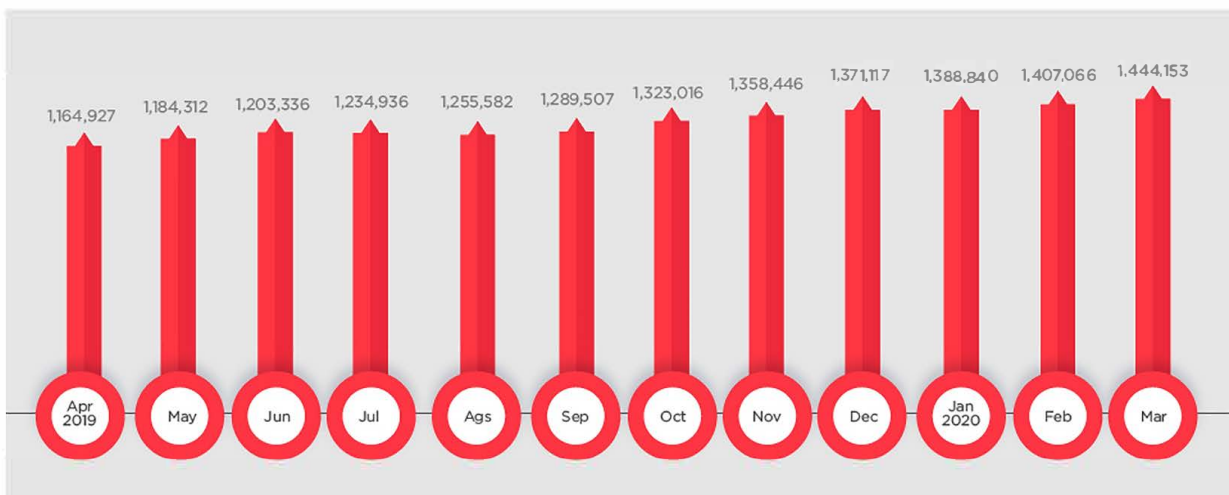
Growth of C-BEST Recorded Assets

April 2019 - March 2020





Data on Domestic Investors' Spread per March 2020



Growth of Securities Sub Accounts April 2019 - March 2020



KSEI and IHSG Total Assets Growth per March 2020

Notes:

The 22% dip in total assets in March 2020 indicated investors' response to the Covid-19 impacted market conditions.



AKSes•KSEI

Acuan Kepemilikan Sekuritas
Kustodian Sentral Efek Indonesia

A SINGLE FACILITY FOR DIVERSE INFORMATION ON INVESTMENT PORTFOLIOS

#AKSesinaja



TUTORIAL
REGISTRASI / LOGIN



TUTORIAL
LUPA PASSWORD

Through the AKSes Facility, capital market investors are able to directly access a multitude of information on their investment portfolios at any given time.

<https://akses.ksei.co.id>