

Press Release

KSEI Increases the Number of Payment Banks and Client Fund Account Administrator Banks to Expand the Capital Market Network

Jakarta, July 12, 2019 - The Indonesia Central Securities Depository (KSEI) has increased the number of Client Fund Account Administrator Banks from 14 to 16 banks and the number of its Payment Banks from 5 to 9 for the 2019 - 2024 period.

KSEI's President Director Uriep Budhi Prasetyo signed Cooperation Agreements with the management of the following 16 Customer Fund Account Administrator Banks, which nine are also KSEI Payment Banks:

No.	Payment Bank / Client Fund Account Administrator Bank	No.	Client Fund Account Administrator Bank
1	PT Bank Central Asia Tbk	1	PT Bank BCA Syariah
2	PT Bank CIMB Niaga Tbk	2	PT Bank BNI Syariah
3	PT Bank KEB Hana Indonesia	3	PT Bank Mayapada Internasional Tbk
4	PT Bank Mandiri (Persero) Tbk	4	PT Bank Nationalnobu Tbk
5	PT Bank Negara Indonesia (Persero) Tbk	5	PT Bank OCBC NISP Tbk
6	PT Bank Pan Indonesia Tbk	6	PT Bank Syariah Mandiri
7	PT Bank Permata Tbk	7	PT Bank Tabungan Negara (Persero) Tbk)
8	PT Bank Rakyat Indonesia (Persero) Tbk		
9	PT Bank Sinarmas Tbk)		

KSEI established its first Payment Bank cooperation with three banks during the start of the scripless trading era in the year 2000. This cooperation was conducted to support fund settlement activities in the Indonesian Capital Market, especially on fulfilling the requirements for depositing funds in special bank accounts, pursuant to Capital Market Supervision Agency (Bappepam) Regulation No.III.C.6 on Operational Procedures and Internal Control of Depository and Settlement Institutions. In 2011, KSEI increased the number of its cooperation to five Payment Banks. KSEI itself has multiplied the total number of circulated funds settled at KSEI from Rp730 billion per day in 2000 to around Rp6 trillion per day in 2019.

KSEI's cooperation with Client Fund Account Administrator Banks began shortly afterward with the issuing of the Financial Services Authority (OJK) Regulation No.V.D.3 on December 28, 2010, which makes the use of Single Investor Identification (SID) for Capital Market Investors and the separation of Client's and Securities Companies' funds as mandatory. With this mandatory requirement, Securities Companies are obliged to open Securities Sub-Accounts at KSEI and fund accounts on behalf of each of their client's name at a Client Fund Account Administrator Bank.

As part of its early support for this regulation, KSEI signed agreements with four Client Fund Account Administrator Banks: PT Bank Central Asia Tbk, PT Bank CIMB Niaga Tbk, PT Bank Mandiri (Persero) Tbk, and PT Bank Permata Tbk. The signing signified the start of the implementation of Client Fund Accounts separation in the Indonesian Capital Market, effectively as of February 1, 2012.

KSEI President Director Uriep Budhi Prasetyo stated that, "The increasing number and diversity of Client Fund Account Administrator Banks will make it easier for Investors to invest in the Capital Market

as they will have more banks to choose for the opening of their Client Fund Accounts.” He also noted that, “Adding more Payment Banks is also part of KSEI’s efforts to expand the Capital Market network through Co-Branding collaborations with the banking industry.”

In the 2019 - 2024 period, Payment Banks will function quite differently than before as KSEI will implement the use of the BI-RTGS (*Full Central Bank Money/ Full CeBM*) system, in rupiah currency, for Capital Market Transaction Fund Settlements in the near future. Meanwhile, KSEI has also appointed Bank CIMB Niaga as its Foreign Currency Payment Bank for Capital Market transaction fund settlements in other currencies.

During this period, KSEI Payment Banks will function as Intraday Facility provider banks for Securities Companies, while also maintaining their role as a Client Fund Account Administrator Bank. The Intraday Facility is a facility provided by Payment Banks to Clearing Members so their monetary entitlements can be paid as soon as possible after they have fulfilled all of their Securities transfer requirements.

With the help of 16 Client Fund Account Administrator Banks, which three of them are Sharia Banks, Indonesian Capital Market Investors can now take advantage of a banking network that is spread across 20,000 bank branch offices, which is an increase from KSEI’s previous collaboration with Client Fund Account Administrator and Payment Banks which involved 17,000 branch offices.

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