CHAPTER VII

ADMINISTRATION OF TRANSACTIONS WITH BANK INDONESIA

A. The Administrations of OPT Transaction

1. The Settlement of OPT Transaction in the context of Monetary Contraction
2. The Settlement of OPT transaction in the context of monetary contraction shall among other things consist of the settlement of the proceeds from SBI/SBIS, FASBI/FASBIS, FTK, Reverse Repurchase agreement of SBN auctions and BI Outright selling of SBN.
3. The Organizer of DPM *cq.* the Settlement of Monetary Management Transaction (PTPM) Division shall make the settlement in BI-SSSS for the transactions as intended in letter a, with the detailed settlement period of OPT transaction in accordance with Attachment C.
4. The Fund settlement through BI-RTGS System shall be made by debiting the total payment value (proceeds) to which the Member is obligated from the Giro Account of the Member Bank.
5. After the Fund settlement in BI-RTGS System is successfully made or the status is completed, the Securities Settlement in BI-SSSS shall be made in Securities Account (active sub-account), namely by:
   * 1. registering SBI/SBIS/FASBI/FASBIS/FTK in the Securities Account of the Member for SBI/SBIS, FASBI/FASBIS FTK transactions; and/or
     2. debiting the nominal value of SBN from the Securities Account of Bank Indonesia and crediting the nominal value of SBN to the Securities Account of the Member for SBN Reverse Repo transaction and BI Outright selling of SBN.
6. The Members shall receive information on the results of the implementation of the settlement of OPT transaction from the Organizer through ST, that may be printed as Computer Output (HOK).
7. In addition to Computer Output, the results of OPT settlement mentioned in letter e shall affect the registration position of Securities Account the information of which may be obtained through Supervisory-Securities Holding Enquiry by the Members menu.
8. In the event that the Fund settlement fails because the balance of the Bank’s Giro Account is insufficient or the settlement status until the cut-off warning period of BI-RTGS System is pending, the system shall cancel the settlement of transactions as intended in letter b.
9. When the OPT transaction is due, BI-SSSS shall make the settlement at the beginning of the day after the opening of the system, as follows:
10. SBI/SBIS Redemption
11. Securities settlement shall be made by debiting the nominal value of SBI/SBIS due from the Securities Account of the Member.
12. The Fund settlement shall be made by crediting the nominal value of SBI/SBIS due and the yields to the Giro Account of the Member Bank or the Paying Bank appointed by the Sub-Registry Members in accordance with the position of SBIS ownership registered with BI-SSSS on 1 (one) business day prior to maturity date of SBI/SBIS (T-1).
13. Repayment of FASBI/FASBIS/FTK
14. The Settlement in the Securities Account shall be made by debiting the nominal value of FASBI/FASBIS/FTK due from the Securities Account of the Member.
15. The Fund Settlement shall be made by crediting the total nominal of fund placement in FASBI/FASBIS/FTK and FASBIS return to the Giro Account of the Bank.
16. The Settlement of SBN 2nd leg Reverse Repo
17. The Securities Settlement in BI-SSSS shall be made by debiting the nominal value of SBN from the Securities Account of the Member and crediting the nominal value of SBN to the Securities Account of Bank Indonesia.

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1. After the Securities Settlement is successfully made or the status is completed, the Fund Settlement in BI-RTGS System shall be made by crediting the value of proceeds to the Giro Account of the Member (including the acceptance of repurchase agreement rate to which the Member is entitled).
2. In the event that the Securities Settlement fails or the settlement status until the cut-off warning period of BI-SSSS is pending, the system shall cancel the settlement of 2nd leg of SBN Reverse Repo.
3. The Settlement of OPT Transaction in the context of Monetary Expansion
   1. The Settlement of OPT transaction in the context of monetary expansion shall among other things consist of the settlement of FTE, BI Outright Purchase of SBN and the Repurchase agreement of SBI/SBIS/SBN.
4. The Organized or DPM *cq*. Monetary Management Transaction Division shall make the settlement in BI-SSSS for the transaction as intended in letter a, with the detailed time of settlement of OPT transaction in accordance with Attachment C.
5. The Securities Settlement shall be made by debiting the nominal value of Securities from the Securities Account of the Member and crediting the nominal value of Securities to the Securities Account of Bank Indonesia, for FTE transaction, BI Outright purchase of SUN and repurchase agreement of SBI/SBN.
6. In the event that OPT transaction mechanism is used by means of repurchase agreement collateralized borrowing such as the Repurchase agreement of SBIS, the Securities Settlement shall be made by transferring the registration of Securities in the Securities Account of the Member from the active sub-account to the hold sub-account of Repurchase agreement of SBIS.
7. Subsequently, the Fund Settlement through BI-RTGS System shall be made by crediting the total value of proceeds to which the Bank Member is entitled to the Giro Account of the Member Bank.
8. The Members shall receive information on the results of the implementation of OPT transaction settlement from the Organizer through ST, which may be printed as Computer Output.
9. In addition to Computer Output, information on the results of OPT settlement affecting the position of Securities Account registration shall also be accessible through Supervisory-Securities Holding Enquiry by the members menu.
10. In the event that the Securities Settlement fails, the system shall cancel the transaction as intended in letter b.

In accordance with the applicable provisions of OPT, settlement pending the sufficiency of balance in Securities Account in the Queue System shall only valid for FTE transactions FTE and BI Outright purchase of SUN in accordance with the period of OPT transaction settlement in Attachment C.

1. When FTE transactions and Repurchase agreement of SBI/SBIS/SBN are due, BI-SSSS shall make the 2nd leg settlement at the beginning of the day of the system opens as follows:
2. The Fund Settlement through BI-RTGS System shall be made by debiting the total proceeds to which the Bank Member is obligated from the Giro Account of the Member Bank.
3. After the Fund Settlement in BI-RTGS System is successful, or the status is completed, the Securities Settlement in BI-SSSS shall be conducted by debiting the nominal value of SBI/SBN from the Securities Account of Bank Indonesia and crediting the nominal value of SBI/SBN to the Securities Account of the Member, or by transferring the registration from the hold sub-account of the repurchase agreement of SBIS to the active sub-account of the Bank Member.
4. In the event that the Fund Settlement fails because the balance of the Giro Account of the Member Bank is insufficient or the settlement status until the cut-off warning period of BI-RTGS System is pending, the system shall cancel the 2nd leg FTE settlement and Repurchase agreement of SBI/SBIS/SBN.
5. Payment of the Sanction of Payment Obligation
6. The Organizer shall impose the sanction of payment obligation in accordance with applicable provisions of OPT, on the Member Banks failing to make the settlement as intended in number 1 letter g, point 1.h.3)c), number 2 letter h and/or point 2.i.3).
7. The Organizer shall debit the Giro Account of the Member Bank to impose sanction of payment obligation in accordance with the applicable provisions of OPT 1 (one) business day after the failure of settlement as intended in number 2 letter h.
8. The Securities Settlement in FTE Transaction and the Repurchase agreement of SBI/SBIS/SBN

In the event of the failure of the 2nd leg FTE settlement and Repurchase agreement of SBI/SBIS/SBN as intended in point 2.i.3), the Organizer shall make the Securities settlement subject to repurchase agreement by using the following mechanisms:

1. In the event that the Securities are in the form of SBI, the Organizer shall make early redemption of SBI on SBI subject to repurchase agreement.
2. In the event that the Securities are in the form of SBIS, the Organizer shall make the pledge settlement by transferring SBIS from the sub-account of BI-Facility (hold Repo) SBIS to Securities Account of Bank Indonesia for the purpose of early redemption of SBIS.
3. In the event that the Securities are in the form of SBN, the intended transaction shall be treated as outright transaction.
4. The proceeds from the early redemption as intended in letter a and letter b or the proceeds from the calculation of the outright transaction as intended in letter c shall be used to settle FTE obligation and repurchase agreement of SBI/SBIS/SBN due and other obligations by the Members to Bank Indonesia.
5. Settlement of Other OPT Transaction

In the event that Bank Indonesia makes any revision to the provisions on OPT by changing and/or adding the type of Securities/OPT Instruments to be used as underlying OPT transaction, the settlement procedures shall be in accordance with the procedures as intended in number 1 or number 2 and procedures for the payment of sanction of payment obligation shall be as intended in number 3.

B. Administration of Financing Facility

B. Penatausahaan …

1. Administration of FLI /FLIS

The Bank registered as the Member of FLI/FLIS may use FLI/FLIS by following the procedures below:

a. FLI/FLIS RTGS

* 1. The Bank shall place the Securities in the sub-account of BI-Facility (hold FLI/FLIS) as from the opening of the system until the cut-off warning period of BI-SSSS through Supervisory – BI Facility Request menu.
  2. Upon the receipt of data by the Organizer, the Bank may use FLI/FLIS to the maximum cash value of the nominal value of Securities placed as guarantee for the use of FLI /FLIS as intended in number 1).
  3. Cash value for Securities guarantee shall be calculated in accordance with the applicable provisions of FLI/FLIS.
  4. The amount of cash value as intended in number 3) shall be the plafond of the amount of FLI/FLIS which can be used by the Bank through BI-RTGS System.
  5. The Bank may use FLI/FLIS through BI-RTGS System from the opening of system to the cut-off warning period of BI-RTGS System.
  6. The Bank cannot withdraw the Securities placed for the use of FLI/FLIS (reverse FLI/FLIS) in the event that the intended Securities are still used as guarantee for the use of outstanding FLI/FLIS in BI-RTGS System.

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* 1. The use of FLI/FLIS shall be redeemed in BI-RTGS System during the operational hours as from the opening of system to the pre-cut off time of BI-RTGS System, if the Bank receives any incoming transfer through BI-RTGS System.
  2. In the event that the Bank fails to settle the outstanding FLI/FLIS until the pre-cut off time of BI-RTGS System, the system shall convert FLI/FLIS into Repurchase agreement Transaction with Bank Indonesia with the term of 1 (one) day in the amount of outstanding FLI/FLIS.
  3. At the end of the day, the system will calculate the fees for the use of FLI/FLIS by using the calculation in accordance with applicable provisions.
  4. Fees for the use of FLI/FLIS shall be charged through BI-RTGS System on the following 1 (one) business day by debiting the total fees for the use as intended in number 9) from the Giro Account.

b. FLI/FLIS Clearing

1. The Bank shall place the Securities in the sub-account of BI-Facility (hold FtS) as collateral prefund in accordance with the applicable provisions on clearing, through Supervisory – BI Facility Request menu.
2. Upon the receipt of data by the Organizer, the value of collateral prefund shall be calculated to the maximum cash value of the nominal value of the Securities placed for clearing guarantee, constituting the maximum FLI/FLIS Clearing which may be used by the Bank.
3. The cash value of Securities guarantee shall be calculated by the system in accordance with the applicable provisions on FLI/FLIS.
4. The Bank may only use FLI/FLIS Clearing in the context of debit clearing settlement through BI-RTGS System.
5. The Bank may withdraw the Securities placed as collateral prefund (reverse FtS) from the cut-off warning to pre-cut off insofar as it is not currently used as the outstanding FLI/FLIS-Clearing.
6. In the event that the Bank fails settle the outstanding FLI/FLIS until the pre-cut off time of BI-RTGS System, the system shall convert FLI/FLIS into Repurchase agreement transaction with Bank Indonesia with the term of 1 (one) day in the amount of outstanding FLI/FLIS.
7. At the end of the day, the system shall calculate fees for the use of FLI/FLIS in accordance with applicable provisions.
8. Fees for the use of FLI/FLIS shall be charged through BI-RTGS on the following 1 (one) business day by debiting the total fees for the use as intended in number 7 from the Giro Account of the Bank.

c. In the event that the Members do not reverse the Securities existing in BI-Facility (hold FLI/FLIS and/or hold FtS) account until the end of the day then on the following business day the Securities registered in the intended account still can be considered as a pledge of FLI/FLIS and/or collateral prefund for FtS.

1. The Administration of FPJPS
2. Based on the application for FPJPS approved by DPM *cq*. BOpM as intended in Chapter V point C.2.c.7), DPM *cq*. the Settlement of Monetary Management Transaction (PTPM) Division shall make the settlement of FPJPS by following the procedures below:
   1. The Securities Settlement shall be made by transferring the registration of Securities collateralized in the Securities Account of the Member from the active sub-account to the sub-account of BI-Facility (hold FPJP/FPJPS).

1) Setelmen …

* 1. After the Securities Settlement is successful and the status is completed, the Fund Settlement shall be made through BI-RTGS System by crediting the total nominal of FPJPS approved by Bank Indonesia to the Giro Account of the Member Bank.

1. At the end of the day, the system shall calculate the interests /yields of FPJPS in accordance with interest/ yield rate and the formula of calculation specified in applicable provisions on FPJPS.
2. When FPJPS is due, the system will make the settlement of FPJPS by debiting the Giro Account of the Member Bank through BI-RTGS System under the following conditions:
   * 1. Interest/yield of FPJPS shall be charged at the beginning of the day upon the opening of the system. In the event that the balance in the Giro Account is insufficient then the transaction entering the Queue System of BI-RTGS System shall be until the cut-off warning period
     2. The settlement of FPJPS shall be charged at 16.00 West Indonesia Time or at a specified time in accordance with the provisions of FPJPS. In the event that the balance in Giro Account is insufficient then the transaction entering the Queue System of BI-RTGS System shall be until the cut-off warning period.
3. In the event of the Bank does not submit a roll-over of FPJPS nor settles the outstanding FPJPS, at the cut-off period of BI-SSSS, the system shall convert the registration of pledge from the sub-account of BI-Facility (hold FPJP/FPJPS) to the sub-account of BI-Special Account.
4. The Settlement of FPJPS Pledge

In the event that the Member fails to settle the FPJPS as intended in number 2 letter d, the Organizer shall make the settlement of pledge by using the following mechanisms:

* 1. In the event that the pledge is in the form of SBIS, the Organizer shall make the settlement of the pledge in the sub-account of BI-Special Account by conducting early redemption of the Securities.
  2. In the event that the pledge is in the form of SBN, the Organizer shall make the settlement of the pledge in the sub-account of BI-Special Account by making the settlement of (outright) SBN sales based on the decision on the sale of pledge by Bank Indonesia.

1. The Settlement of FPJP Pledge

In the event that the Members cannot settle the FPJP, the Organizer shall make the settlement of pledge by using the following mechanisms:

1. In the event that the pledge is in the form of SBI, the Organizer shall cancel the second leg pledge transaction to transfer SBI from the Securities Account of the Bank to Bank Indonesia and make early redemption.
2. In the event that the pledge is in the form of SBN, the Organizer shall cancel the second leg pledge transaction which is made to transfer the SBN from the Securities Account of the Bank to Bank Indonesia and to make the settlement on (outright) SBN sale to the buyer in the context of execution of the pledge.

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