CHAPTER I

INTRODUCTION

1. Background

Bank Indonesia – Scripless Securities Settlement System (BI-SSSS) is a facility for Organizer and Members to conduct Transactions with Bank Indonesia including administration thereof and Securities Administration electronically which directly connects the Members and Organizer to BI-RTGS System.

The Transactions with Bank Indonesia are transactions conducted by Bank Indonesia in the context of Open Market Operation (OPT) activities, Financing Facility, State Securities transactions by Bank Indonesia for and on behalf of the Government, and/or other transactions through BI-SSSS. The administration includes administration of the Transactions with Bank Indonesia and Securities Administration.

The administration of the Transactions with Bank Indonesia includes activities of the administration of Open Market Operation Instruments, Financing Facility, State Securities transactions for and on behalf of the Government as well as the administration of other transactions through BI-SSSS. Meanwhile, Securities Administration is an activity including registration of ownership, clearing and settlement as well as payment of coupon (interest) or yield and principal/nominal value of Securities with BI-SSSS.

The Transactions with Bank Indonesia and administration through BI-SSSS are implemented, based on the provisions provided for in this regulation and refer to the provisions concerning Open Market Operation and its instruments, such as Bank Indonesia Certificate (SBI), Bank Indonesia Certificate for Sharia banking (SBIS), Fine Tune Operation(FTO) consisting of Fine Tune Contraction (FTK), and Fine Tune Expansion (FTE), repurchase agreement transactions with Bank Indonesia, Bank Indonesia Deposit Facilities (FASBI – *Fasilitas Simpanan Bank Indonesia*), Bank Indonesia Deposit Facilities for Sharia banking (FASBIS – *Fasilitas Simpanan Bank Indonesia Syariah*), provisions concerning auction and administration of State Securities, and provisions concerning Financing Facility, such as Intraday Liquidity Facility for conventional banking (FLI – *Fasilitas Likuiditas Intrahari*) and Intraday Liquidity Facility for Sharia banking (FLIS - *Fasilitas Likuiditas Intrahari Syariah*), as well as Short-term Financing Facility for conventional banking (FPJP – *Fasilitas Pendanaan Jangka Pendek*) and Short-term Financing Facility for Sharia banking (FPJPS – *Fasilitas Pendanaan Jangka Pendek Syariah*). In addition, since BI-SSSS is integrated with BI-RTGS System, the organization of BI-SSSS also refers to provisions concerning BI-RTGS System.

1. Components of BI-SSSS

## The components of BI-SSSS consist of:

1. Computer system existing in the location of the Organizer, namely :
   1. Automatic Bidding System Central Computer (BidCC) is a computer system that functions as a facility for Transactions with Bank Indonesia.
   2. SSSS Central Computer (SCC) is a computer system that functions as a facility for the administration of Transactions with Bank Indonesia and Securities Administration.
2. The computer system existing in the location of the Member, namely SSSS Terminal(ST)*.* ST is a computer system that functions as a facility for transmission of the Transactions with Bank Indonesia to BidCC and a facility for transmission of instructions for the settlement of Securities transactions to SCC, as well as a facility for the provision of information on Securities.
3. Communication network which is a connecting facility between ST and SCC/BidCC.
4. General Definitions
5. SSSS Terminal Application, hereinafter referred to as ST Application, shall be an application program of BI-SSSS membership provided by the Organizer, installed in the ST of the Member to conduct Transactions with Bank Indonesia and/or Securities transactions settlement as well as other BI-SSSS functions.
6. Automatic Bidding System Central Computer*,* hereinafter referred to as BidCC, shall be a system used by the Organizer to conduct the Transactions with Bank Indonesia.
7. Automatic Bidding System, hereinafter referred to as ABS, shall be one of menus or functions in the ST Application of the Member used to transmit data on the Transactions with Bank Indonesia to BidCC.
8. Contingency Plan shall be activity phases that must be conducted by the Member in Abnormal Conditions and/or Emergency Conditions.
9. Disaster Recovery Center, hereinafter referred to as DRC, shall be backup of a system used to support activities in the main machines.
10. Production Location shall be office/place where the Members conduct the Transactions with Bank Indonesia and/or Securities transactions settlement as well as other BI-SSSS functions.
11. Member Code shall be a code indentifying the Members related to the implementation of transactions and settlements through BI-SSSS.
12. First Available First Out Method, hereinafter referred to as FAFO Method, shall be a method of Securities Settlement in BI-SSSS by prioritizing the settlement of transactions having value of less than or equivalent to the balance in the Securities Account of the Member.
13. Principal Member shall be a Member registered as a key Member in SCC.
14. Subsidiary Member shall be a Member registered in SCC as an additional Member of the Principal Member.
15. Scripless Securities Transfer System, hereinafter referred to as SSTS, shall be one of the menus or functions in the ST Application of the Member used to transmit data on Securities transactions settlement to SCC.
16. Queue System shall be a mechanism regulating order of Securities transactions settlement of the Member which cannot be conducted by SCC or Backup SCC because the data has not corresponded to the counterparty’s data or the balance of the Securities Account of the Member is insufficient.
17. SSSS Central Computer, hereinafter referred to as SCC, shall be a computer system located in the location of the Organizer used to control the system over all Transactions administration with Bank Indonesia and the Securities Administration as well as other BI-SSSS functions, consisting of Main SSSS Central Computer and Backup SSSS Central Computer.
18. Backup SSSS Central Computer*,* hereinafter referred to as Backup SCC*,* shall be a SCC used as a backup in the event of Abnormal Conditions and Emergency Conditions which make it impossible for the Organizer to use the Main SCC.
19. Main SSSS Central Computer, hereinafter referred to as Main SCC, shall be a SCC used in normal conditions.
20. SSSS Terminal, hereinafter referred to as ST, shall be a computer system located in the Production Location with online connection to the SCC used by the Member to conduct Transactions with Bank Indonesia and/or Securities Settlement as well as other BI-SSSS functions, consisting of ST Main Server, ST Backup Server and ST Workstation.
21. ST Backup Server shall be a computer hardware installed in the ST Application and the BI-SSSS database used by the Member to process the Transactions with Bank Indonesia and/or Securities Settlement as well as other BI-SSSS functions in Abnormal Conditions or Emergency Conditions which make it impossible for the Member to use the ST Main Server.
22. ST Main Server shall be a computer hardware installed in the ST Application and the BI-SSSS database used by the Member to process Transactions with Bank Indonesia and/or Securities Settlement as well as other BI-SSSS functions in normal conditions.
23. ST Workstation shall be a computer hardware installed in the ST Application and connected to the ST Main Server and/or the ST Backup Server*,* used by the Member to conduct Transactions with Bank Indonesia and/or Securities Settlement and other BI-SSSS functions.

CHAPTER II …