# CHAPTER IV

OPERATIONS OF MEMBERS

## **BI-SSSS** Operations

1. The normal operating hours of BI-SSSS and the BI-RTGS System are as follows:

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| --- | --- | --- |
|  | BI-SSSS | BI-RTGS |
| System opening | 06.30 West Indonesia Time | 06.30 West Indonesia Time |
| Cut-off warning | 17.00 West Indonesia Time | 17.00 West Indonesia Time |
| Pre-cut off | 18.00 West Indonesia Time | 18.00 West Indonesia Time |
| Cut-off | 18.30 West Indonesia Time | 19.00 West Indonesia Time |

1. Operational activities that may be performed during the operating hours as intended in number 1 shall include among other things the following:
   * 1. Activities performed as from the SCC system opening up to cut-off warning (06.30–17.00 West Indonesia Time)
        1. After the SCC is opened, Members may log-on into the SCC, except for Members which are also members of the BI-RTGS System, their log-on process shall be performed through the RTGS Terminal (RT) into the RTGS Central Computer (RCC).
        2. Bidding submission for Transactions With Bank Indonesia through the Automatic Bidding System (ABS) menu and Supervisory menu shall be performed according to the transaction window time.
        3. Transmission of data on Securities transaction settlement in the secondary market between Members and reporting of Sub-Registry (in-house transactions) shall be performed through the SSTS menu.
        4. For Bank Members with Intraday Liquidity Facility/Sharia Intraday Liquidity Facility (FLI/FLIS) limit, the use and redemption of FLI/FLIS in the BI-RTGS System shall be performed during this period.
        5. Request for reverse of RTGS-FLI/FLIS collateral for Securities which are not being collateralized for the use of FLI/FLIS.
        6. Request for information to the Organizer through the Supervisory menu, such as the data on securities holding enquiry position.
     2. Activities performed as from cut-off warning up to pre-cut-off (17.00–18.00 West Indonesia Time)
2. The RCC shall run a special gridlock resolution for Fund Settlement in the BI-RTGS System to settle all Queue Systems of BI-RTGS System Members’ transactions based on the adequacy of funds, and the system will cancel any unsuccessful transaction due to an inadequacy of funds. Therefore, any BI-SSSS transaction under DVP with a Pending Settlement status in the BI-RTGS System will be cancelled.
3. Redemption of FLI/FLIS for Bank Members using FLI/FLIS in the BI-RTGS System.
4. Request for reverse of RTGS-FLI/FLIS and Clearing-FLI/FLIS collaterals for Securities which are not being collateralized for the use of FLI/FLIS.
5. Submissionof request and/or extension of Short-Term Financing Facility/Sharia Short-Term Financing Facility (FPJP/FPJPS).
6. Execution process for unredeemable FPJP/FPJPS collateral.
7. Transmission of reporting of settlement data on Sub-Registry client Securities transaction (in-house transaction) through the SSTS menu.
   * 1. Activities performed as from pre-cut off up to cut-off (18.00-18.30 West Indonesia Time)

Value transfer of uncompleted FLI to become a repo transaction with Bank Indonesia in a period of 1 (one) day;

Submission of request and/or extension of FPJPS until 18.15 West Indonesia Time.

Execution process for unredeemable FPJPS collateral.

After the cut-off time, the Organizer shall perform the end-day batch system process.

The BI-SSSS operating hours with detailed transaction hours (auction/non-auction) and settlement operating hours shall be as provided in Appendix C.

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## **BI-SSSS** Data and Information

1. Flow of transaction data, settlement instruction and reporting of settlement data of Sub-Registry clients
   * + 1. Transmission of data between the Members and the Organizer shall be performed for the following activities:
          1. Transmission of Transactions data with Bank Indonesia

Members shall transmit the transaction offer to the Organizer through the ABS menu and/or the Supervisory menu*.*

* + - * 1. Transmission of Securities Settlement instruction data

Members shall transmit Securities Settlement instruction on Securities transactions conducted through other Members through the SSTS menu.

* + - * 1. Transmission of reporting of Sub-Registry clients’ settlement data

Members shall transmit the Securities Settlement data of Sub-Registry clients (in-house transaction) through the SSTS menu.

* + - * 1. Members shall fill in the reference number of transaction reporting acquired from the Securities Transaction Report Recipient in field agreement code in the Securities Settlement instruction as intended in number 2).
      1. The Organizer shall perform validation process to check the data accuracy in each transmission of transaction data, settlement instruction and Sub-Registry client settlement data reporting by the Members as intended in letter a number 1), letter a number 2) and letter a number 3) to the Organizer.
      2. Based on the validation result, the Members shall receive a confirmation in the form of a transmit copy containing information on the acceptance status in the SCC, namely positive response for accurate data to subsequently be processed in the Organizer system, or negative response for inaccurate data.
      3. In the event that a Member transmits a Securities Settlement instruction data as intended in letter a number 2), the SCC shall subsequently perform the following processes:

Matching the data with that of its counterparty Member, and checking the adequacy of balance in the Securities Account/Giro Account.

Based on the balance checking result, the Member shall receive a confirmation advice informing its status in the Queue System (pending securities or pending payment).

If the balance is adequate, the Member shall receive a completion advice informing that the Securities transaction settlement both for Fund Settlement in the BI-RTGS System and Securities Settlement in BI-SSSS had been completed. However, if the balance is inadequate until the time limit of Queue System, the Member shall receive a completion advice informing that the transaction had been rejected by the Organizer*.*

e. Member …

* + - 1. In the event that a Member transmits the data of Sub-Registry client transaction settlement reporting as intended in letter a number 3), the SCC shall subsequently performs the following processes:

1. Checking of the adequacy of balance in the Sub-Registry Securities Account (Omnibus account) for the reporting of pledge, Securities Borrowing and Lending(SBL) and repo collateralized borrowing (Repo CB) transaction settlements.
2. The Member shall receive a confirmation advice informing the transmission status in the Queue System.
3. Transmission of Securities Settlement instruction shall be prioritized over transaction settlement reporting data, except for pledge and Repo CB transaction settlements reporting data the priority of which shall be equal to that of Securities Settlement instruction.
4. In the event that the balance in Securities Account as intended in number 1) is adequate, the Member shall receive a completion advice informing that the reporting of Securities transaction settlement in BI-SSSS had been accepted (completed) and that BI-SSSS had performed collateral blocking. On the contrary, if the balance is inadequate, the Member shall receive a completion adviceinforming that the transaction had been rejected by the Organizer*.*
5. In the event that the reporting of settlement of other types of transaction as intended in number 1) had been received by the Organizer, the Member shall receive a completion advice.
   * + 1. In relation with the settlement of Transactions with Bank Indonesia, the Member shall also receive a completion advice according to the procedures as intended in letter d number 3).
6. Transaction/Settlement Instruction Evidence and Computer Output

Transactions with Bank Indonesia and Securities Administration by Members must be performed based on evidence/document regulated as follows:

The transmission of transaction data and Securities Settlement instruction to the Organizer shall be performed based on written instruction evidence/document in the standard format as stipulated in the internal provisions of each Member.

Members must keep and administer the written instruction evidence/document as intended in letter a with the retention schedule as required by applicable laws and regulations.

In addition to the written instruction evidence/document as intended in letter b, Members must also administer the Computer Output or print-outs of transaction and settlement results performed through BI-SSSS under internal provisions of the Members.

1. Difference of System Data

In the even of differences between the data in the Member system and the data in the Organizer system, the data considered to be valid are those held by the Organizer.

## **ST Operations**

* + - 1. ST Organizational Structure

The organizational or departmental structure in the ST shall consist of:

1. Central Department
2. The central department shall be a department managing the ST Server which is directly connected with the SCC and registered as a Member with 1 (one) member code.
3. Each Member shall only have 1 (one) central department that may be connected with no more than 998 (nine hundred and ninety-eight) subsidiary departments*.*
4. The central department shall be authorized to perform various functions in the ST, including the monitoring on activities of its subsidiary departments.
5. Each central department must have a Main ST Server connected to the ST Workstations, both located in the central department and in subsidiary departments. The number of ST Workstations in all departments shall be no more than 999 (nine hundred and ninety-nine) workstations.
6. Subsidiary Department
7. The subsidiary department shall be a department that only has ST Workstation to perform various functions of the ST and to monitor transaction activities of the relevant department.
8. Each subsidiary department shall be provided with a department code to identify the origin of transactions.
   * + 1. Authority in the ST Operations

Authority in the ST Server operation at each Member shall be indicated by the user level, which consists of the levels of administrator, supervisor, and operator arranged as follows:

1. Administrator
2. The Organizer shall provide 2 (two) users of administrator level along with passwords to the Member as represented by the Board of Directors or authorized officials in the first installation. For the security of the ST Application, the Member is required to change the administrator password immediately on the same day upon receipt of the password from the Organizer.
3. The administrator shall be responsible for:
   * + 1. the management of ST Application database, which includes database member control, department, ST Workstation, Account Identifier Data (AID), and Authenticator Text (AT); and
       2. the management of ST Application users in relation with the designated officers and determination of authority of the aforementioned officers in operating various functions in the ST Application, including officer registration, change, and discharge.
4. Supervisor
5. The Supervisor shall have the operating authority in the ST application to perform various functions related to supervisory activity on the work of the operator, including approval and transmission of transactions or other administrative activities.
6. Authority of the supervisor in transmitting transactions may be limited based on granting of function and/or nominal limitation (global limit).
7. In the event that the password of a user at supervisory level is inapplicable, the password must be reset by 2 (two) users of administrator level.
8. Operator
9. The operator shall have the authority to input/construct data into BI-SSSS under a transaction instruction.
10. User-level operators are not allowed to access supervisory menus and functions.
11. Any activity related with transmission of transaction by the operator shall require approval of the supervisor.
12. In the event that the password of an operator is inapplicable, the password must be reset by 2 (two) users of administrator level*.*
    * + 1. Operating of ST Functions

ST functions which may be operated by each department shall depend on the policy of each Member. In general, each department may perform functions, namely to construct, amend, approve, reject, cancel, delete, reconstruct, transmit and receive Securities transactions.

* + - 1. Functions of ST Application

The ST Application shall have functions according to the following menus:

* 1. System

The ST System shall consist of procedures and processes as follows:

1) System or subsidiary department start-up

1. System start-up shall be an activity to activate the ST Server at each Member.
2. The system start-up shall be performed by each Member after the Organizer performs the system start-up*.*
3. The system start-up shall be performed by a user at administrator level in the central department at the beginning of each business day after the batch process on the previous business day or following database maintenance*.*
4. Subsidiary departments may perform department start-up which shall be conducted by a user at administrator level in the central department.

2) System or subsidiary department shutdown

1. System shutdown shall be an activity of shutting down the ST Application system at the end of each business day in each central department after all subsidiary department shutdowns*.*
2. Subsidiary department shutdowns must be performed before the central department shutdown*.*
3. Central department shutdown shall be performed by a user at administrator level in the central department. Subsidiary department shutdown shall be performed by a user at administrator level in the subsidiary department or by a user at administrator level in the central department*.*

d) System shutdown shall be followed by the end-day process to prepare the processes of the following business day.

3) System shutdown in operating hours (mid-day shutdown)

Members may perform a temporary system shutdown during operating hours. Afterwards, Members may reactivate the system (system start-up) by a user at administrator level in the central department to resume the operating activities.

* 1. SSTS

SSTS shall be a function in the ST that can be used by the Members to transmit settlement instruction on Securities transaction with other Members to the SCC.

* 1. ABS

ABS shall be a function in the ST that can be used by the Members to submit biddings to the BidCC.

* 1. Audit Trail

Audit Trail shall be a function that can be used to view and/or print all transactions processed by the ST. Information on transaction status of whether outgoing or incoming transactions, individually or in summary, in display or in print-outs, at any time during the operating hours with a retention period of 25 (twenty-five) business days can be obtained through this function. The central department shall be able to view all transactions, while subsidiary departments shall only be able to view transactions from the relevant subsidiary departments.

e. Enquiry ……

* 1. Enquiry

Enquiry shall be a function in the ST that can be used by Members to view and print the detailed status of a transaction. This function may be provided to all levels of authority in the BI-SSSS, namely the operator, supervisor, and administrator*.*

* 1. Supervisory

Supervisory shall be a function in the ST that can be used by Members according to their respective function to perform log-on/off, use the BI-Facility, determine the settlement limit and broker bidding limit, and to transmit Administrative Messages.

This function shall be provided for the administrator or supervisor level*.*

* 1. Batch

Batch shall be a process performed at the end of each day for the preparation of the beginning of the following business day by printing end-day reports, backing-up daily files, and resetting system files.

The batch processing may be performed by a user at supervisory level in the central department*.*

* 1. Database

Database shall be a function in the ST that can be used by the Members to perform maintenance of database files.

* 1. Utilities

Utilities shall be a function in the ST that can be used by the Members to connect (interface) the BI-SSSS with the internal system of the Members.