

PROCEDURES OF AUCTIONING STATE SECURITIES AT THE PRIMARY MARKET AND OF ADMINISTERING STATE SECURITIES (Circular of the Head of Monetary Management Department at Bank Indonesia No. 17/32/DPSP dated November 13, 2015)

In connection with Bank Indonesia Regulation No. 10/13/PBI/2008 on the Auction and Administration of State Securities (Statute Book of the Republic of Indonesia of 2008 No. 123, Supplement to Statute Book of the Republic of Indonesia No. 4888) as already amended the latest by Bank Indonesia Regulation No. 17/19/PBI/2015 (Statute Book of the Republic of Indonesia of 2015 No. 274, Supplement to Statute Book of the Republic of Indonesia No. 5763) and the coming into force of Bank Indonesia Regulation No. 17/18/PBI/2015 on the Realization of Transactions, Administration of Securities and Settlement of Instant Fund (Statute Book of the Republic of Indonesia of 2015 No. 273, Supplement to Statute Book of the Republic of Indonesia No. 5762), it is necessary to stipulate procedures of auctioning state securities at the primary market and administration of state securities in Bank Indonesia Circular as follows:

I. GENERAL PROVISIONS

Referred to in this Bank Indonesia Circular as :

1. State securities, hereinafter abbreviated into SBN, is state debentures and sharia state securities.
2. State debenture, hereinafter abbreviated into SUN, is securities in the form of debt acknowledgement instrument in rupiah or foreign currencies whose interest and principal payment is guaranteed by the Republic of Indonesia according to its period of validity.
3. Sharia state securities, hereinafter abbreviated into SBSN or called state sukuk, is state securities issued based on sharia principles as evidence of part of participation in SBSN assets, either in the rupiah or foreign currency.
4. State treasury note, hereinafter abbreviated into SPN, is SUN which is due up to 12 (twelve) months with discount interest payment.
5. Short-term SBSN or sharia state treasury note is SBSN which is due up to 12 (twelve) months with yield payment in the form of coupon and/or discount.
6. State bond is SUN which is due more than 12 (twelve) months with coupon and/or discount interest

payment.

7. Long-term SBSN is SBSN which is due more than 12 (twelve) months with yield payment in the form of coupon and/or discount.
8. Retail SBSN, hereinafter called retail state sukuk is SBSN which is sold to individuals of Indonesian citizenship through sale agents.
9. Bank is a commercial bank as referred to in the Banking Law including the branch of offshore bank and sharia commercial bank including sharia business unit as referred to in the law regarding sharia banking.
10. Minister is the Finance Minister of the Republic of Indonesia.
11. Deposit Insurance Institution, hereinafter abbreviated into LPS is deposit insurance institution as provided for in the law concerning deposit insurance institution.
12. Transaction participant is party who by Regulation of the Finance Minister can make SUN and/or SBSN transactions with the government directly.
13. Main dealer is bank and/or securities company appointed by the Minister as a main dealer as referred to in Regulation of the Finance Minister on main dealers.
14. Auction participant is bank and securities company appointed by the Minister as a participant of SBSN auction in the domestic primary market.
15. BI-SSSS participant is a party that meets conditions and secures a seal of approval from Bank Indonesia to become a participant in BI-SSSS.
16. Primary market is the act of offering and selling SBN for the first time.
17. Secondary market is the act of trading SBN already sold in the primary market.
18. SBN auction is the sale of SBN in the domestic primary market by the government through an auction mechanism.
19. Extra SBN auction (Greenshoe Option), hereinafter called extra SBN auction, is the sale of SBN in the primary market in the rupiah currency by means of auction held 1 (one) working day after the date of SBN auction.
20. Yield is profit expected by investor in percentage per year.
21. Competitive bidding is bidding made by mentioning volume and yield or price desired by the bidder.
22. Non-competitive bidding is bidding by mentioning volume without yield or price desired by the bidder.
23. Bank Indonesia-Electronic Trading Platform System, hereinafter called BI-ETP system is infrastructure used as a means of transaction with Bank Indonesia and financial market transactions filed electronically.

24. Bank Indonesia-Scripless Securities Settlement System, hereinafter called BI-SSSS is infrastructure used as a means to administer transactions and securities made electronically.
25. Bank Indonesia-Real Time Gross Settlement System, hereinafter called BI-RTGS System, is infrastructure used as a means of electronic fund transfer whose settlement is done instantly for each transaction.
26. Broker Bidding Limit is broker bidding limit given by transaction participant to other transaction participant to be able to make bidding per day for and in the name of transaction participant giving bidding limit.
27. Administration of SBN is a series of activities covering recording of ownership, clearing, settlement and payment of interest/coupon or yield and settlement of SBN principal.
28. Central Registry is Bank Indonesia that carries out the function of administering SBN in the interest of participants in BI-SSSS.
29. Sub-Registry is Bank Indonesia and party that meets conditions and is approved by Bank Indonesia as BI-SSSS participant to carry out the function of administering SBN in the interests of customers.
30. Settlement is the final settlement of SBN transactions by debiting and crediting the giro account and/or securities account and/or other accounts at Bank Indonesia.
31. Commercial Bank Daily Report System, hereinafter called LHBUS System, is a means of daily bank reporting to Bank Indonesia including providing money market information and announcement from Bank Indonesia.
32. SBN Buyback Auction, hereinafter called buyback auction, is the buyback of SBN in the secondary market by the government before it becomes due by cash and/or debt switching during a certain bidding period specified and announced earlier.
33. SUN borrowing facility, is facility given by the Minister to main dealer to make SUN borrowing according to the procedure set in the Regulation of the Finance Minister concerning main dealers.
34. Direct SBN transaction is the sale of SBN in the primary market or the buyback of SBN in the secondary market by the government with main dealer, Bank Indonesia, or LPS directly through dealing room facility at the Finance Ministry of the Republic of Indonesia.
35. Private Placement is the sale of SBN in the domestic primary market by the government with the party approved by the government, under terms and conditions of SBN according to the agreement.
36. Paying bank is participant of BI-RTGS system that has a giro account in the rupiah and/or foreign currency at Bank Indonesia and is appointed by transaction and/or sub-registry participant to pay and

receive fund within the framework of SBN transaction settlement.

37. Securities account is the account of BI-SSSS participant in the rupiah and/or foreign currency administered in Bank Indonesia within the framework of registry and settlement of SBN transactions, transactions with Bank Indonesia, financial market transactions, and/or intra-day liquidity facility.

38. Giro account is giro account as referred to in Bank Indonesia provisions concerning giro accounts at Bank Indonesia.

II. AUCTION PROCEDURE

A. Auction of Rupiah-Denominated SBN

1. Terms and Conditions

a. Bank Indonesia holds auction of rupiah-denominated SBN based on the plan set by the Director General of Financing and Risk Management in the name of the Minister.

b. Transaction participants of SBN auction are classified into:

1) Transaction participants of rupiah-denominated SBN auction are:

- a) main dealer;
- b) Bank Indonesia; and/or
- c) LPS.

2) Transaction participants of rupiah-denominated SBSN auction are:

- a) auction participant;
- b) Bank Indonesia; and/or
- c) LPS.

c. Transaction participants can make a bid under the following provisions:

1) Transaction participants of rupiah-denominated SUN auction are:

- 1) Main dealer, Bank Indonesia, and/or LPS for SPN.
- 2) Main dealer and/or LPS for state bonds.

2) Transaction participants of rupiah-denominated SBSN auction are:

- a) Auction participant, Bank Indonesia, and/or LPS for short-term SBSN.
- b) Auction participants and/or LPS for long-term SBSN.

d. Main dealer can make a bid for rupiah-denominated SUN in his/her name and/or in other party's name according to Regulation of the Finance Minister concerning auction of rupiah-and foreign currency-denominated state securities in the domestic primary market.

- e. Auction participant can make a bid for rupiah-denominated SBSN in his/her name and/or other party's name according to Regulation of the Finance Minister concerning the issuance and sale of sharia compliant state securities in the domestic primary market by means of auction.
- f. Bank Indonesia and LPS make bids for rupiah-denominated SBN only for their own names.
- g. Rupiah-denominated SBN auction is done as follows:
 - 1) Bids for rupiah-denominated SBN are made by making competitive bidding) and/or non-competitive bidding during a certain bidding period specified and announced earlier.
 - 2) Bids for rupiah-denominated SBN are made as follows:
 - a) If main dealer or auction participant makes a bid for rupiah-denominated SBN for and in his/her own name, either directly or through other main dealer or other auction participant, the bid can be made through competitive bidding.
 - b) If main dealer or auction participant makes a bid for rupiah-denominated SBN for and in the name of other party than main dealer or auction participant, the bid is made as follows:
 - (1) bids for short-term SPN and SBS are made through competitive bidding; and
 - (2) bids for state bonds and long-term SBSN are made through competitive bidding and/or non-competitive bidding.
 - (3) Bank Indonesia can make a bid for rupiah-denominated SBN in the form of short-term SPN and SBSN, only for non-competitive bidding.
 - (4) LPS can make a bid for rupiah-denominated SBN only for non-competitive bidding.
 - (5) Auction of rupiah-denominated SBN is held on Tuesdays between 10,00 WIB (western Indonesia time and 12.00 WIB on working day and other time specified by the Director General of Financing and Risk Management for and in the name of the Minister.
 - (6) In case of a change in schedule for rupiah-denominated SBN auction, Bank Indonesia shall announce the change in auction schedule as referred to in point 5) through the LHBUS system and/or other communication means used by Bank Indonesia.
 - (7) The means used to make bids for rupiah-denominated is BI-ETP system or other means specified by Bank Indonesia.
 - (8) If main dealer or auction participant makes a bid for rupiah-denominated SBN for and in the name of other auction participant and other party, the main dealer or auction participant and paying bank appointed must observe broker bidding limit per day.

e) average weighted rate of return and/or discount rate, yield or price; and

f) maturity date.

2) each winner of rupiah-denominated SBN auction through the BI-ETP system containing at least:

a) names of winners;

b) nominal value won; and

c) discount rate, rate of return or price.

c. If the Director General of Financing and Risk Management in the name of the Minister decides there is no auction winner, Bank Indonesia shall announce the decision through the BI-ETP system, LHBU system, and/or other means used by Bank Indonesia.

B. Extra SBN Auction

1. Terms and Conditions

a. Bank Indonesia holds extra SBN auction based upon the plan from the Director General of Financing and Risk Management in the name of the Minister.

b. Extra SBN auction is held on working days between 10.00 WIB and 12.00 WIB or other time specified by the Director General of Financing and Risk Management in the name of the Minister.

c. If the Director General of Financing and Risk Management in the name of the Minister decides the other time as referred to in letter b, Bank Indonesia shall announce the change through the LHBU system and/or other communication means used by Bank Indonesia.

d. The means used to make a bid for extra SBN auction is BI-ETP system or other means stipulated by Bank Indonesia.

e. Transaction participants can make a bid for extra SBN auction as follows:

1) Extra SUN Auction

a) Transaction participants of extra SUN auction are transaction participants of rupiah-denominated SUN auction that have made non-competitive bidding in the SUN auction.

b) Bids are made by proposing the volume of SUN.

c) Transaction participants that can make bids are :

1) Main dealer, Bank Indonesia, and/or LPS by making non-competitive bidding for SPN.

2) Main dealer and/or LPS by making non-competitive bidding for state bonds.

d) Bids are limited to as much as non-competitive bidding that is not won.

e) Main dealer can make a bid for extra SUN auction in his/her own name and/or other party's

name according to Regulation of the Finance Minister concerning auction of rupiah-and foreign currency-denominated state debentures in the domestic primary market.

2) Extra SBSN auction

- a) Transaction participants of extra SBSN are Bank Indonesia, LPS, and/or auction participants making bids in SBSN auction.
- b) Bids in extra SBSN auction are made through non-competitive bidding.
- c) The total bid for each extra SBSN auction is limited to as much as total bid for each participant of SBSN auction for series SBSN offered in extra SBSN auction.
- d) Bids for extra SBSN auction for short-term SBSN can only be participated in by Bank Indonesia.

2. Realization of Extra SBN Auction

- a. Bank Indonesia announces a plan for extra SBSN auction through the BI-ETP system, LHBU system, website of Bank Indonesia, and/or other communication means used by Bank Indonesia, after the outcome of rupiah-denominated SBSN auction has been endorsed by the Director General of Financing and Risk Management in the name of the Minister.
- b. The announcement of the plan for extra SBN auction shall at least contain:
 - 1) types and series;
 - 2) list of participants of extra SBN auction;
 - 3) date and time of extra SBN auction; and
 - 4) average weighted rate of rate and/or discount, yield rate or price.
- c. On the day of extra SBN auction, transaction participants make nominal bids.
- d. The nominal bids as referred to in letter c follow provisions in point A.2.d.1).
- e. Transaction participants are held responsible for the truth of data of bids in extra SBN auction.
- f. Transaction participants can make a correction of each bid made during a window time of transaction in extra SBN auction.
- g. Transaction participants that have made bids in extra SBN auction cannot cancel the bids.

3. Winner of Extra SBN Auction

The Director General of Financing and Risk Management in the name of the Minister endorses the outcome of extra SBN auction which covers at least the name of winner and nominal value.

4. Announcement of the Outcome of Extra SBN Auction

- a. Bank Indonesia announces the outcome of extra SBN auction that has been endorsed by the

Director General of Financing and Risk Management in the name of the Minister through the BI-ETP system, LHBUS system, website of Bank Indonesia, and/or other communication means used by Bank Indonesia at the end of extra SBN auction.

- b. Bank Indonesia conveys the announcement of the outcome of extra SBN auction as referred to in letter a to :
 - 1) all transaction participants, containing at least SBN series and nominal value; and
 - 2) each winner of extra SBN auction through the BI-ETP system, containing at least the name of winner and nominal value won.

C. Procedure of Foreign Currency-Denominated SUN Auction

1. Terms and Conditions

- a. Bank Indonesia organizes foreign currency-denominated SUN auction based on the plan endorsed by the Director General of Financing and Risk Management in the name of the Minister.
- b. Parties that can buy foreign currency-denominated SUN in auctions are:
 - 1) Indonesian citizens domiciled in Indonesia;
 - 2) companies, joint ventures, associations, or organized groups either from Indonesia or abroad, set up or domiciled in the territory of the Republic of Indonesia; or
 - 3) LPS.
- c. The parties as referred to in point b.1) and point b.2) can buy foreign currency-denominated SUN by fulfilling the following conditions:
 - 1) fulfilling administrative qualifications; and
 - 2) being registered in the list of resident investors, as referred to in Regulation of the Finance Minister concerning auction of rupiah-and foreign currency-denominated state debentures in the domestic primary market.
- d. The parties that have met the conditions in Regulation of the Finance Minister as referred to in letter c participate in a foreign currency-denominated SUN auction through main dealers.
- e. Transaction participants of foreign currency-denominated SUN auction are main dealers and/or LPS.
- f. Transaction participants as referred to in letter e can make bids for foreign currency-denominated SPN and/or state bonds.
- g. Main dealers can make bids for foreign currency-denominated SUN in their own name and/or other

parties' name according to Regulation of the Finance Minister concerning auction of rupiah-and foreign currency-denominated state debentures in the domestic primary market.

- h. LPS make bids for foreign currency-denominated SUN only for and in their own name.
- i. Foreign currency-denominated SUN auction is done as follows:
 - 1) Bids for foreign currency-denominated SUN are made through competitive bidding and/or non-competitive bidding during a window time set and announced earlier.
 - 2) If main dealers make bids for foreign currency-denominated SUN for and in their own name, either directly or through other main dealers, the bids can only be made through competitive bidding.
 - 3) If main dealers make bids for foreign currency-denominated SUN for and in the name of other parties, the bids are made as follows:
 - a) bids in foreign currency-denominated SPN auction are made through competitive bidding; and
 - b) bids in foreign currency-denominated state bond auction are made through competitive bidding and/or non-competitive bidding.
 - 4) LPS can make bids for foreign currency-denominated SUN in the form of foreign currency-denominated SPN and state bonds as follows :
 - a) bids are made directly without through main dealer; and
 - b) bids are only for non-competitive bidding.
 - 5) Foreign currency-denominated SUN auctions are held on Mondays between 09.00 WIB and 11.00 WIB or working days and other time set by the Director General of Financing and Risk Management in the name of the Minister.
 - 6) In case of a change in schedule of foreign currency-denominated SUN auction, Bank Indonesia shall announce the change in auction schedule as referred to in point 5) through Bloomberg, LHBU system, and/or other communication means used by Bank Indonesia.
 - 7) The facility used to make bids for foreign currency-denominated SUN is Bloomberg terminal or other facility set by Bank Indonesia.
 - 8) If bank makes a bid for foreign currency-denominated SUN through a main dealer, the bank must set a broker bidding limit per day for foreign currency-denominated SUN for main dealer.
 - 9) Transaction participants that have no securities account and make bids in foreign currency-denominated SUN auction must appoint sub-registry to settle the outcome of foreign currency-

denominated SUN auction.

10) The sub-registry appointed to settle the outcome of foreign currency-denominated SUN auction must set a broker bidding limit per day for foreign currency-denominated SUN auction for transaction participants in the interests of sub-registry customers.

11) The broker bidding limit per day for foreign currency-denominated SUN auction as referred to in point 8) and point 10) must be set in an agreement between the bank or sub-registry and main dealer.

12) Transaction participants must make bids for foreign currency-denominated SUN with complete and true information based on the transaction instruction document.

13) Transaction participants are held responsible for the truth of data of bids for foreign currency-denominated SUN.

2. Realization of Foreign Currency-Denominated SUN Auction

a. Before foreign currency-denominated SUN auction is realized, Bank Indonesia sends letters of request to transaction participants to file a maximum of 2 (two) names of employees appointed to make foreign currency-denominated SUN auction transactions through a Bloomberg terminal.

b. Based on the letters from Bank Indonesia as referred to in letter a, transaction participants convey the names of employees appointed to make foreign currency-denominated SUN auction transactions by means of letters and possibly by facsimile first by using the format as contained in attachment which is an integral part of this Bank Indonesia Circular.

c. The letter and facsimile as referred to in letter b are sent to Bank Indonesia through the following address:

Bank Indonesia

Department of Monetary Management (DPM)

Monetary Operations Group (GOpM)

Sjafruddin Prawiranegara Tower, Floor 13

Jl. M. H. Thamrin No.2

Jakarta 10350

Phone 021-29818350 and 021-29818351

Fax 021-2310347.

In case of a change in correspondence address and communication means it will be notified by letter and/or other media.

- d. In case of a change or replacement of employees appointed to make foreign currency-denominated SUN auction transactions as referred to in letter b, transaction participants shall convey updated data by letter to Bank Indonesia – Department of Monetary Management attn. Monetary Operations Group by using the format as referred to in attachment I.
- e. Bank Indonesia announces a plan for auction no later than 1 (one) working day before the foreign currency-denominated SUN auction is realized by notifying employees appointed by transaction participants by a Bloomberg terminal, announcement through the LHBU system, website of Bank Indonesia, and/or other communication means used by Bank Indonesia.
- f. The announcement of a plan for foreign currency-denominated SUN auction shall at least contain :
 - 1) types and series;
 - 2) date of auction;
 - 3) indicative target offered;
 - 4) issuance date and maturity date;
 - 5) currency;
 - 6) bid opening and closing time;
 - 7) announcement time of auction result;
 - 8) settlement date;
 - 9) allocations for non-competitive bidding, in case of a combination of competitive bidding and non-competitive bidding; and
 - 10) list of daftar auction transaction participants.
- g. In case of a combination of competitive bidding and non-competitive bidding, the auction will be organized through 2 (two) different auctions, namely competitive auction and non-competitive auction.
- h. On the day of foreign currency-denominated SUN auction, transaction participants make bids as follows :
 - 1) Competitive bidding containing information, namely :
 - a) quantity bid;
 - b) discount rate or yield rate or price; and
 - c) investor code issued by the Directorate General of Financing and Risk Management at the Finance Ministry of the Republic of Indonesia, consisting of 7 (seven) digits with the writing format xxx-yyyy.

Example: investor code: 123-0000

123 : the first 3 (three) digits constitute information on the code of BI-SSSS participant;
and

0000 : the last 4 (four) digits constitute information on no. of non-bank investor or is filled with "0000" if investor is a bank.

2) Non-competitive bidding contains the following information:

- a) quantity bid; and
- b) investor code as referred to in point 1)c).

i. Transaction participants make bids for foreign currency-denominated SUN for competitive bidding, as follows:

- 1) nominal bid from each transaction participant is a minimum of USD100,000.00 (a hundred thousand United States dollars) and the excess with a denominator of USD10,000.00 (ten thousand United States dollars);
- 2) bid for discount or yield rate is made with a denominator of 1/100 (one per hundred) or 0.01 (zero point zero one); and
- 3) bid for price is made with a denominator of 0.05% (zero point zero five percent).

j. If transaction participants make bids for foreign currency-denominated SUN for non-competitive bidding, nominal bids will be made according to provisions as referred to in point i.1).

k. Transaction participants can make a correction of each bid for foreign currency-denominated SUN made during the window time of foreign currency-denominated SUN auction transaction.

l. Transaction participants who have made bids for foreign currency-denominated SUN cannot cancel the bids.

3. Winners of Foreign Currency-Denominated SUN Auction

The Director General of Financing and Risk Management in the name of the Minister shall endorse the outcome of foreign currency-denominated SUN auction containing at least :

- a. auction winners;
- b. nominal value; and
- c. discount rate or yield rate or price.

4. Announcement of the Outcome of Auction

Bank Indonesia announces the outcome of foreign currency-denominated SUN auction already endorsed by the Director General of Financing and Risk Management for and in the name of the Minister to :

a. All transaction participants

- 1) The outcome of foreign currency-denominated SUN auction is announced through the LHBU system, website of Bank Indonesia, and/or other communication means used by Bank Indonesia at the end of foreign currency-denominated SUN auction.
- 2) The announcement as referred to in point 1) contains at least:
 - a) types and series;
 - b) currency;
 - c) overall auction quantity;
 - d) interest rate;
 - e) average weighted discount rate, yield rate or price; and
 - f) maturity date.

b. Each of winners of foreign currency-denominated SUN auction

- 1) The outcome of foreign currency-denominated SUN auction is announced through the Bloomberg terminal to each of employees appointed by transaction participants won in the foreign currency-denominated SUN auction.
- 2) The announcement as referred to in point 1) contains at least :
 - a) name of winner;
 - b) nominal value; and
 - c) discount rate, yield rate or price.

5. Abnormal Condition in Transaction Participants

- a. In case of disturbance in the Bloomberg terminal and/or network belonging to transaction participants making the transaction participants unable to make bids for foreign currency-denominated SUN, the transaction participants can use the Bloomberg backup terminal at Bank Indonesia as follows :
 - 1) Transaction participants file an application for the use of Bloomberg backup terminal, along with data of bids for foreign currency-denominated SUN auction.
 - 2) The application accompanied by data of bid for foreign currency-denominated SUN as referred to in point 1) is filed by letter and possibly by facsimile first using the format as contained in Attachment II which is an integral part of this Bank Indonesia Circular.
 - 3) The application filed by facsimile must not exceed 30 (thirty) minutes before the use of Bloomberg back-up terminal.

market value of lent SBN.

4. Settlement of State Bonds Sold to Retail Investors

- a. The settlement of state bonds sold to retail investors is done 2 (two) working days after the allotment of state bonds in the primary market by the Director General of Financing and Risk Management for and in the name of the Minister.
- b. On the date of settlement, the central registry settles the issuance of state bonds sold to retail investors as referred to in letter a through the following procedure:

1) Settlement of Fund

The settlement of fund is done through the BI-RTGS system by debiting the rupiah giro account of paying bank and crediting the rupiah giro account of the Government in Bank Indonesia as much as the settlement value.

2) Settlement of Securities

If the settlement of fund is successful, the settlement of securities shall be done by crediting the securities account of the sub-registry as much as the allotment value.

- c. If fund in the rupiah giro account of paying bank is not enough until the deadline for the settlement of SBN transaction (early period of cut-off warning BISSSS), the settlement of SBN will not be done.

5. Settlement of Direct SUN in Rupiah

- a. The settlement of direct SUN in rupiah is done 2 (two) working days after the date of transaction.
- b. On the date of settlement, the central registry conducts the settlement of direct SUN in rupiah as referred to in letter a through the following procedure:

1) The direct sale of SUN in rupiah in the primary market

- a) The central registry registers the issuance of SUN in rupiah related to the outcome of direct SUN transaction approved by the Director General of Financing and Risk Management for and in the name of the Minister.

- b) The central registry conducts settlement as follows:

(1) Settlement of Fund

The settlement of fund is done by debiting the rupiah giro account of transaction participant and/or paying bank and crediting the rupiah giro account of the Government in

Bank Indonesia as much as the settlement value.

(2) The settlement of securities

The settlement of securities is done by crediting the securities account of transaction participant and/or sub-registry as much as the nominal value of SUN in rupiah.

2) Direct Buyback of SUN in Rupiah in the Secondary Market

a) Settlement of Securities

(1) The central registry debits the securities account of transaction participant and/or sub-registry as much as the nominal value of series SUN in rupiah sold to the Government.

(2) The central registry conducts early redemption of series SUN in rupiah bought back by the Government.

b) Settlement of Fund

The settlement of fund is done by debiting the rupiah giro account of the Government and crediting the rupiah giro account of transaction participant and/or paying bank in Bank Indonesia as much as the settlement value.

c. If fund in the rupiah giro account of transaction participant and/or paying bank is not enough until the deadline for the settlement of SBN transaction (early period of cut-off warning BI-SSSS) as referred to in point b.1)b)(1) or the securities account of transaction participant and/or sub-registry is not enough to conduct the settlement of securities as referred to in point b.1)b)(2), the settlement of direct transaction of SUN in rupiah shall be declared failed.

6. Settlement of the Sale of SUN through Private Placement

a. The settlement of sale of SUN in rupiah through private placement

1) The settlement of the sale of SUN in rupiah through private placement is done no later than 5 (five) working days after the date of transaction agreement.

2) On the date of settlement, the central registry settles the sale of SUN in rupiah through private placement as referred to in point 1) through the following procedure:

a) The central registry registers the issuance of SUN sold through private placement approved by the Director General of Financing and Risk Management for and in the name of the Minister.

b) The central registry conducts the settlement as follows:

(1) Settlement of Fund

The settlement of fund is done by debiting the rupiah giro account of transaction participant and/or paying bank and crediting the giro account of the Government in Bank Indonesia as much as the settlement value.

(2) Settlement of Securities

If the settlement of fund is successful, the settlement of securities shall be done by crediting the securities account of transaction participant and/or sub-registry as much as the nominal value of SUN.

- 3) If fund in the rupiah giro account of transaction participant and/or paying bank is not enough until the deadline for the settlement of SBN transaction (early period of cut-off warning BISSSS), the settlement of private placement transaction shall be declared failed.

b. The Settlement of the Sale of SUN in Foreign Currency through Private Placement

- 1) The settlement of the sale of SUN in foreign currency through private placement is done no later than 5 (five) working days after the date of agreement.

- 2) On the date of settlement of the sale of SUN in foreign currency through private placement, the central registry conducts settlement through the following procedure:

a) Settlement of Fund

- (1) The settlement of fund is done by debiting the foreign currency giro account of transaction participant and/or paying bank and crediting the foreign currency giro account of the Government in Bank Indonesia as much as the settlement value.

- (2) Transaction participant and/or paying bank appointed shall provide US dollar-denominated fund to conduct the settlement of SUN sale transaction in foreign currency through private placement.

- (3) The fund as referred to in point (2) must already be effective in the giro account in the correspondent bank of Bank Indonesia in New York (Federal Reserve Bank of New York) within 1 (one) working day before the settlement date of SUN in foreign currency, if the fund is provided through the giro account of Bank Indonesia in the correspondent bank in New York.

b) Settlement of Securities

The settlement of securities is done by crediting the securities account of transaction participant and/or sub-registry as much as the total nominal value of SUN in foreign currency.

- 3) If the balance of the foreign currency giro account of transaction participant and/or paying bank

as referred to in point 2)a)(1) is not enough to settle the sale of SUN in foreign currency until the deadline for the settlement of SBN transaction (cut-off warning BI-SSSS), the settlement of the sale of SUN in foreign currency through private placement done by the transaction participant and/or paying bank shall be declared failed.

7. Settlement of Foreign Currency SUN Auction Organized by Bank Indonesia

- a. The settlement of foreign currency SUN auction is done no later than 5 (five) working days after the date of foreign currency SUN auction.
- b. On the date of the settlement of foreign currency SUN auction winners, the central registry conducts the settlement of foreign currency SUN auction as referred to in letter a through the following procedure:

1) Settlement of Fund

- a) The settlement of fund is done by debiting the foreign currency giro account of transaction participant and/or paying bank and crediting the foreign currency giro account of the Government in Bank Indonesia as much as the settlement value.
- b) Transaction participant and/or paying bank appointed must provide US dollar-denominated fund to conduct the settlement of foreign currency SUN auction in the primary market.
- c) The fund as referred to in letter b) must already be effective in the giro account in the correspondent bank of Bank Indonesia in New York (Federal Reserve Bank of New York) within 1 (one) working day before the settlement date of SUN in foreign currency, if the fund is provided through the giro account of Bank Indonesia in the correspondent bank in New York.

2) Settlement of Securities

The settlement of securities is done by crediting the securities account of transaction participant and/or sub-registry appointed as much as the total nominal value of SUN in foreign currency which is won.

- c. If the balance of the foreign currency giro account of transaction participant and/or paying bank as referred to in letter b.1).a)) is not enough for the settlement of foreign currency SUN auction until the deadline for the settlement of SBN transaction (early period of cut-off warning BI-SSSS), the settlement of the sale of SUN in foreign currency done by the transaction participant and/or paying bank shall be declared failed.

C. The settlement of SBSN transaction with the Government

1. The settlement of SBSN auction organized by Bank Indonesia

a. The settlement of SBSN auction organized by Bank Indonesia is done through the following procedure:

- 1) The settlement of short-term SBSN auction is done no later than 2 (two) working days after the date of auction.
- 2) The settlement of long-term SBSN auction is done no later than 5 (five) working days after the date of auction.
- 3) The settlement of extra SBSN auction is done on the same date as the settlement of short-term SBSN auction as referred to in point 1) or the settlement of long-term SBSN auction as referred to in point 2) and serves as an integral part of the settlement of the said SBSN auction.

b. On the date of settlement, the central registry conducts the settlement of SBSN auction as referred to in letter a through the following procedure:

1) Settlement of Fund

The settlement of fund is done by debiting the rupiah giro account of transaction participant and/or paying bank and crediting the rupiah giro account of the Government in Bank Indonesia as much as the settlement value.

2) Settlement of Securities

The settlement of securities is done by crediting the securities account of transaction participant and/or sub-registry appointed as much as the total nominal value of SBSN which is won.

c. If fund in the giro account of transaction participant and/or paying bank is not enough to conduct settlement until the deadline for the settlement of SBN transaction (early period of cut-off warning BI-SSSS), the settlement of SBSN auction done through the giro account of transaction participant or paying bank shall be declared failed.

2. Settlement of SBSN Sale through Bookbuilding

a. The settlement of SBSN sale through bookbuilding is done no later than 2 (two) working days after the endorsement date of SBSN sale.

b. On the date of settlement, the central registry conducts the settlement of SBSN sale through book-

building as referred to in letter a, through the following procedure:

1) Settlement of Fund

The settlement of fund is done by debiting the rupiah giro account of paying bank and crediting the rupiah giro account of the Government in Bank Indonesia as much as the settlement value.

2) Settlement of Securities

The settlement of securities is done by crediting the securities account of sub-registry as much as the total nominal value of SBSN which is won.

- c. Based on the settlement of SBSN sale, the central registry registers the issuance of SBSN according to the terms and conditions set by the Director General of Financing and Risk Management for and in the name of the Minister.
- d. If fund in the giro account of paying bank is not enough to conduct settlement until the deadline for the settlement of SBN transaction (early period of cut-off warning BI-SSSS), the settlement of SBSN auction done through the giro account of paying bank shall be declared failed.

3. Settlement of Retail State Sukuk Sale

- a. The settlement of retail state sukuk is done no later than 2 (two) working days after the date of retail state sukuk has been set.
- b. No later than 1 (one) working day before the settlement date, paying bank sends a letter confirming the debiting of giro account in the interests of buyers that have no giro accounts in Bank Indonesia, according to provision on and procedure of appointing paying bank as referred to in Bank Indonesia rule concerning the administration of securities through BI-SSSS.
- c. On the date of settlement, the central registry conducts the settlement of retail state sukuk sale as referred to in letter a through the following procedure:

1) Settlement of Fund

The settlement of fund is done through the BI-RTGS system by debiting the rupiah giro account of paying bank and crediting the rupiah giro account of the Government in Bank Indonesia as much as the settlement value.

2) Settlement of Securities

If the settlement of fund is successful, the settlement of securities is done by crediting the securities account of BI-SSSS participant in the central registry as much as the total nominal value of retail state sukuk which is won.

- d. If fund in the rupiah giro account of paying bank is not enough until the deadline for the settlement of SBN transaction (early period of cut-off warning BI-SSSS), the settlement of securities will not be done.

4. Settlement of SBSN Sale through Private Placement

- a. The settlement of SBSN sale through private placement is done no later than 5 (five) working days after the date of agreement.
- b. On the date of settlement, the central registry conducts the settlement of SBSN sale through private placement as referred to in letter a through the following procedure:

1) Settlement of Fund

The settlement of fund is done by debiting the giro account of transaction participant and/or paying bank and crediting the giro account of the Government in Bank Indonesia as much as the settlement value.

2) Settlement of Securities

If the settlement of fund is successful, the settlement of securities will be done by crediting the securities account of transaction participant and/or sub-registry as much as the nominal value of SBSN.

- c. If fund in the giro account of transaction participant and/or paying bank is not enough to conduct settlement until the deadline for the settlement of SBN transaction (early period of cut-off warning BI-SSSS), the settlement of private placement transaction shall be declared failed.

D. Settlement
to be continued

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