

PROCEDURE FOR PLACEMENT OF SYARIAH TERM DEPOSIT IN FOREIGN EXCHANGE

**(Circulation Letter of Head of Monetary Management
Department of Bank Indonesia Number 18/31/DPM,
dated November 29, 2016)**

WITH THE BLESSING OF THE ONE ONLY GOD

TO:

ALL SYARIAH COMMERCIAL BANKS, SYARIAH BUSINESS UNITS, AND MONEY MARKET AGENT IN RUPIAH
AND IN FOREIGN EXCHANGE IN INDONESIA

With respect to validity of Regulation of Bank Indonesia Number 16/12/PBI/2014, concerning Operation of Syariah Monetary (Statute Book of the Republic of Indonesia Year 2014 Number 178, Supplement to Statute Book of the Republic of Indonesia Number 5567), and to improve governance and support smooth transaction on placement of syariah term deposit in foreign exchange, it is necessary to re-govern provision on implementation of placement of Syariah Term Deposit in foreign exchange in Circular Letter of Bank Indonesia as follows:

I. GENERAL PROVISION

1. Bank shall be Syariah Commercial Bank and Syariah Business Unit constituting bank of foreign exchange.
2. Syariah Commercial Bank hereinafter referred to as BUS shall be Syariah Commercial Bank as referred to in the Law on syariah banking.
3. Syariah Business Unit hereinafter referred to as UUS shall be Syariah Business Unit as referred to in the Law on syarian banking.

4. Syariah Monetary Operation hereinafter referred to as OMS shall be implementation of monetary policy by Bank Indonesia in the control of monetary by means of open market activity and provision of standing facilities based on syariah principle.
5. Syariah Open Market Operation hereinafter referred to as Syariah OPT shall be activity on money market transaction based on syariah principle exercised by Bank Indonesia with a Bank and other party in the context of OMS.
6. Placement of Syariah Term Deposit in foreign exchange transaction hereinafter referred to as Syariah Term Deposit in foreign exchange shall be placement of term deposit in foreign exchange belonging to Bank di Bank Indonesia.
7. Ju'alah Agreement shall be iltizam or commitment to grant certain compensation ('iwadh/ju'l) from the result accomplished (natijah) as required from any work.
8. Money Market in Rupiah and Foreign Exchange Agency Company hereinafter referred to as Agent shall be company specially established to exercise activity on agency in the interest of its customer on money market in Rupiah and Foreign Exchange against compensation for its service.
9. Commercial Bank Daily Reporting System hereinafter referred to as LHBU shall be daily reporting system of any Bank to Bank Indonesia, including provision of information on money market and announcement of Bank Indonesia.
10. Correspondent Bank shall be Bank that maintains clearing account in foreign exchange for payment and/or receiving fund in foreign exchange to and / or from the Bank.

II. GENERAL REQUIREMENTS

1. Syariah Term Deposit in foreign exchange Transaction is exercised based on ju'alah agreement by any Bank to Bank Indonesia.

2. Syariah Term Deposit in foreign exchange Transaction is characterized as follows:
 - a. type of foreign exchange used is United States Dollar;
 - b. has a term at least one (1) day and maximum 12 (twelve) months 12 (twelve) months and denominated in day, calculated as of the first (1st) day of transaction up to the due date thereof;
 - c. is transacted without issuing commercial paper;
 - d. for transaction of Syariah Term Deposit in foreign exchange, Bank Indonesia shall grant compensation; and
 - e. may be cashed prior to the due date (early redemption) either the whole amount of part thereof.
3. Bank requirements may be followed by transaction of Syariah Term Deposit in foreign exchange as follows:
 - a. is not undergoing penalty in the form of temporary termination in compliance with OMS; and
 - b. has clearing account in foreign exchange with Bank Indonesia.
4. Bank shall propose Syariah Term Deposit in foreign exchange transaction to Bank Indonesia for own interest.
5. Bank may submit offer for Syariah Term Deposit in foreign exchange transaction directly and/or through Agent.
6. Agent shall submit offer for Syariah Term Deposit in foreign exchange transaction for the Bank's own interest.
7. Agent that may submit offer as referred to in figure 5 and figure 6 is not undergoing penalty by Bank Indonesia pertaining to business license.

8. Syariah Term Deposit in foreign exchange transaction shall be conducted on working day as decided by Bank Indonesia.
9. Syariah Term Deposit in foreign exchange transaction shall be conducted using dealing facilities system stipulated by Bank Indonesia.
10. Compensation granted from Syariah Term Deposit in foreign exchange transaction shall be determined as follows:
 - a. Bank Indonesia shall pay compensation on Syariah Term Deposit in foreign exchange transaction on the due date or on the date of early redemption.
 - b. Compensation rate granted shall refer to interest rate on the result of bid on Syariah Term Deposit in foreign exchange transaction with same term, conducted simultaneously with Conventional Term Deposit in foreign exchange transaction on the provisions below:
 - 1) if Conventional Term Deposit in foreign exchange transaction uses fixed rate tender, the rate of compensation for Syariah Term Deposit in foreign exchange transaction; or
 - 2) If Conventional Term Deposit in foreign exchange transaction uses method of variable rate tender, the compensation of Syariah Term Deposit in foreign exchange transaction shall stipulated equivalent to proportionate average interest rate resulting from Conventional Term Deposit in foreign exchange transaction.
 - c. If at the same time no bid on Conventional Term Deposit in foreign exchange transaction is available, the rate of compensation granted as referred to in letter b shall refer to the rate of compensation on Syariah Term Deposit in foreign exchange transaction or interest rate on Conventional Term Deposit in foreign exchange transaction at the previous bid, the latest of the two and respectively has the term.

- d. Compensation on Syariah Term Deposit in foreign exchange Valas Syariah shall be computed using the formula below:

$$\text{Reward value} = \frac{\text{Nominal Term} \times \text{Level} \times \text{Deposit Valas} \times \text{Syariah}}{\text{Reward} \times 360}$$

Remarks:

k = term up to settlement date of Syariah Term Deposit in foreign exchange is due on or at the date of settlement of early redemption of Syariah Term Deposit in foreign exchange (in days)

Example of computation of compensation is as specified in Attachment- I yang constituting inseparable part of Circular Letter of Bank Indonesia ini.

III. BID IMPLEMENTATION

A. Registration and Update of information to participate in the Bid of Syariah Term Deposit in foreign exchange

1. Prior to implementing Bid, Syariah Term Deposit in foreign exchange transaction, must be registered based on provisions below:

- a. Bank shall submit application letter for registration to participate in the Bid of Syariah Term Deposit in foreign exchange supported by information on at the least the following:

- 1) name of Bank;
- 2) Bank Identifier Code (BIC) Bank;
- 3) One (1) Terminal Controller Identifier (TCID), if the Bank possess Terminal Controller Identifier (TCID);

- 4) if UUS does not possess Terminal Controller Identifier (TCID) yet, the Bank shall submit one
(1) Terminal Controller Identifier (TCID) of Conventional Bank of the UUS concerned;
- 5) if the Bank possess account at Correspondent Bank, the Bank shall submit:
- a) name of Correspondent Bank
 - b) one (1) Bank's Account Number at Correspondent Bank; and
 - c) Bank Identifier Code (BIC) of Correspondent Bank.
- 6) if the Bank has no account at the Correspondent Bank, the Bank shall submit:
- a) name of Intermediary Bank appointed for settlement;
 - b) one(1) Bank Account Number of Intermediary Bank appointed for settlement;
 - c) Bank Identifier Code (BIC) for Intermediary Bank appointed for settlement;
 - d) name of Correspondent Bank;
 - e) one (1) Account Number of Intermediary Bank appointed for settlement at Correspondent Bank; and
 - f) Bank Identifier Code (BIC) of Correspondent Bank.
- 7) name, e-mail address, and Sample of Signature of the Dealer authorized to exercise transaction on Syariah Term Deposit in foreign exchange; and
- 8) name, e-mail, and Sample of Signature of the Official supervising the Dealer authorized to exercise transaction of Syariah Term Deposit in foreign exchange as referred to in figure 7).

- b. The Intermediary Bank shall submit application letter for registration to participate in the Bid for Syariah Term Deposit in foreign exchange transaction, supported by information on at least below:
- 1) name of Intermediary;
 - 2) one (1) Terminal Controller Identifier (TCID) for Intermediary;
 - 3) name, e-mail address, and Sample of Signature of the Agent authorized to make transaction on Syariah Term Deposit in foreign exchange; and
 - 4) name, e-mail address, and Sample of Signature of the Official supervising the Agent / Broker authorized to make transaction of Term Deposit in foreign exchange as referred to in figure 3).
2. Application letter for registration as referred to in figure 1 signed by the Official authorized to represent the Bank or Intermediary / Agent and may submit only at the first time for making transaction on Syariah Term Deposit in foreign exchange by letter to Bank Indonesia. Sample of Letter is specified in Attachment-II constituting inseparable part of this Circular Letter of Bank Indonesia.
3. The letter referred to in figure 2 must be submitted to Bank Indonesia and addressed as follows:
- Bank Indonesia c.q. Department of Operational Treasury and Loan,
 Group of Operational Treasury
 System Management Division and Information on Monetary Operation
 Menara Sjafruddin Prawiranegara Lantai 11
 Jl. M.H. Thamrin No. 2
 Jakarta 10350
- cc. Department of Monetary Management c.q. Group of Monetary Operation
 (Departemen Pengelolaan Moneter c.q. Grup Operasi Moneter

If Amendment or replacement is made to the address for correspondence, this shall be notified by letter and/or other media.

4. If the information referred to in figure 1 is amended, the Bank and Agent shall notify the Agent and update the information by letter as shown in the Sample of Letter as referred to in figure 2.
 5. The letter referred to in figure 4 is submitted to Bank Indonesia to the address as referred to in figure 3.
 6. If all requirements have been complied with, Bank Indonesia shall grant approval for registration to participate in Bid for Syariah Term Deposit in foreign exchange to the Bank and Agent for by letter containing the information such as, follows:
 - a. name of Bank and/or Agent;
 - b. Bank Identifier Code (BIC) Bank;
 - c. Terminal Controller Identifier (TCID) of the Bank and/or Agent;
 - d. Code of individual page consisting of active page, historical page, and confirmation page in foreign exchange OMS Bid Automatic System;
 - e. Standard Settlement Instruction (SSI); and/or
 - f. effective date to participate in Bid for Syariah Term Deposit in foreign exchange transaction.
- B. Announcement on the plan of Syariah Term Deposit in foreign exchange Transaction.
1. Transaction of Syariah Term Deposit in foreign exchange shall be conducted on working day as stipulated by Bank Indonesia.
 2. Bank Indonesia shall announce the plan on Syariah Term Deposit in foreign exchange transaction prior to window time at the latest through Foreign exchange OMS Bid Automatic System, LHBU System, and/or other facilities as stipulated by Bank Indonesia.

3. Window time transaction of Syariah Term Deposit in foreign exchange may conducted between 08.00 a.m. WIB up to 16.00 p.m. WIB at the latest or at other time as stipulated by Bank Indonesia.
4. Announcement on transaction of Syariah Term Deposit in foreign exchange shall cover:
 - a. transaction facilities;
 - b. date of Bid;
 - c. name of Bid (auction name);
 - d. period of time;
 - e. window time;
 - f. method of Bid;
 - g. indicative target;
 - h. percent amount of penalty;
 - i. date of settlement (date Exchange); and/or due date.

IV. SUBMISSION OF BID OFFER

1. Bank may submit Bid offer for transaction of Syariah Term Deposit in foreign exchange directly and/or through the Agent in the stipulated window time in accordance with the time coordination as recorded in the System of Bank Indonesia.
2. Submission of offer for transaction of Syariah Term Deposit in foreign exchange referred to in figure 1 shall contain information of at the least as follows:
 - a. name of Bid (auction name);
 - b. offer nominal value; and
 - c. Terminal Controller Identifier (TCID) of Bank, in Agent / Broker
submits offer for and on behalf of the Bank, for the respective term of transaction of Syariah Term Deposit in foreign exchange announced.
3. The Bid offer for transaction of Syariah Term Deposit in foreign exchange referred to in figure 2 shall be submitted based on the provisions below:

- a. submission of offer by the Bank of nominal value of at least USD.5,000,000.00 (five million US Dollars) and the remaining in the amount of USS.1,000,000.00 (one million US Dollars);
- b. if correction to the offer, the Bank and Agent may make propose correction to any offer submitted within window time of transaction of Syariah Term Deposit in foreign exchange;
- c. the correction referred to in letter b may made based on the provisions below:
 - 1) Bank may make correction to the information on the offer other than information on the name of Bid (auction name); and/or
 - 2) Agent submitting Bid offer for Syariah Term Deposit in foreign exchange for and on behalf of the Bank may make correction to the information of offer other than the information on Terminal Controller Identifier (TCID) of Bank and the name of Bid (auction name);
- d. correction made to offer must comply with the requirements for submitting offer as referred to in letter a;
- e. Bank and gent shall be obliged to monitor authenticity of data of the offer of Syariah Term Deposit in foreign exchange transaction submitted to Bank Indonesia;
- f. Bank and Agent shall be responsible for authenticity of data in the offer submitted to Bank Indonesia;
- g. Bank and Agent shall be prohibited rom cancelling the offcer submitted to Bank Indonesia; dan
- h. Agent shall be obliged to submit information to the Bank on the transaction of Syariah Term Deposit iun Foreign Exchange submitted in the interest of the Bank.

V. DECISION ON BID WINNER

1. Bank Indonesia shall decide nominal value of transaction of Syariah Term Deposit in foreign exchange won by the following means:
 - a. offer with the nominal value submitted by the Bank is won entirely;
 - b. as required, the offer with nominal value submitted by the Bank may be won partly proportionately based on computation by Bank Indonesia by rounding up to closest one hundred thousand US Dollar on the provision that :
 - 1) for nominal value less than USD.50, 000.00 (fifty thousand US Dollars) rounded up to 0 (zerp); and
 - 2) for nominal value of USD.50,000.00 (fifty thousand US Dollar) or rounded up to USD.100,000.00 (one hundred thousand US Dollars).

Example of computation of nominal value and decision of Bid winner of Syariah Term Deposit in foreign exchange transaction as specified in Attachment-III constituting inseparable part of this Circular Letter of Bank Indonesia.

2. Bank Indonesia may decide that there is no winner of the Bid for Syariah Term Deposit in foreign exchange transaction.

VI. ANNOUNCE OF BID RESULT

1. Bank Indonesia shall announce the result of Bid of Syariah Term Deposit in foreign exchange as soon as process on Bid Winner is decided by Bank Indonesia provided that:
 - a. entirely to all Banks and/or Agent, announcement on the result of Bid on Syariah Term Deposit in foreign exchange shall be submitted throught Foreign exchange OMS automatic system, Sistem LHB, and/or other facilities by Bank Indonesia, such as,:
 - 1) nominal value of offer won; and/or
 - 2) compensation rate on Syariah Term Deposit in foreign exchange;

b. individually to the respective Bid Winner, announcement on the result of Bid on Syariah Term Deposit in foreign exchange shall be submitted through foreign exchange OMS Automatic System and/or other facilities stipulated by Bank Indonesia, such as, the:

- 1) term;
- 2) nominal value;
- 3) compensation amount; and/or
- 4) nominal value of compensation from Syariah Term Deposit in foreign exchange, Won.

2. Bank may access to the announcement on the result of Bid of Syariah Term Deposit in foreign exchange as referred to in figure 1 on the confirmation page on the Foreign exchange OMS Bid Automatic System.

VII. SETTLEMENT

1. Settlement of Syariah Term Deposit in foreign exchange Transaction

- a. Settlement of Syariah Term Deposit in foreign exchange will be made within two (2) working days as of the date of transaction.
- b. Bank shall provide fund at Clearing Account at Correspondent Bank or Intermediary Bank appointed for settlement, sufficient enough to comply with obligatory settlement of Syariah Term Deposit in foreign exchange transaction.
- c. On the date of settlement, the Bank shall be obliged to transfer fund for obligatory settlement of Syariah Term Deposit in foreign exchange for any offer or based on the nominal value won, to the account of Bank Indonesia at Correspondent Bank.
- d. Bank shall confirm settlement of Syariah Term Deposit in foreign exchange transaction as referred to in letter c through SWIFT message format MT320 or other facilities to Bank Indonesia c.q. Departemen Operasional Tresuri dan Pinjaman.

- e. Failure of the Bank to transfer fund for obligatory settlement as referred to in letter c, transaction of Syariah Term Deposit in foreign exchange will be declared revoked.
 - f. Based on the revoked transaction of Syariah Term Deposit in foreign exchange referred to in letter e, the Bank shall be charged penalty as governed in point X.1.
 - g. In computing the amount of penalty for temporary termination shall be based on OMS activity, if on the same day more than once revoked transaction of Syariah Term Deposit in foreign exchange, then such revocation will be computed just once.
2. Due Date of Settlement of Syariah Term Deposit in foreign exchange Transaction

- a. On the due date of Syariah Term Deposit in foreign exchange transaction, Bank Indonesia shall settle the Syariah Term Deposit in foreign exchange transaction to the bank account at Correspondent Bank in cash.
- b. The nominal value referred to in letter a shall be computed using the formula below :k

$$\text{Cash Value} = N \times (1 + r \div 360)$$

Remarks:

- N = nominal value of Syariah Term Deposit in foreign exchange
- r = compensation rate
- k = term of Syariah Term Deposit in foreign exchange

3. If after Syariah Term Deposit in foreign exchange transaction, the due date thereof is decided by the Government as holiday, settlement of transaction shall be made the next working day without taking into account any addition to the compensation for such holiday.

VIII. CASHING PRIOR TO DUE DATE (EARLY REDEMPTION)

1. Request for Early Redemption

- a. Bank may request for early redemption of Syariah Term Deposit in foreign exchange within three (3) days at the earliest as of the settlement of the result of Bid of the Syariah Term Deposit in foreign exchange transaction to be requested early redemption.
- b. Bank may request for early redemption on any work day, except on the day the Bid for Syariah Term Deposit in foreign exchange transaction exceeds overnight.
- c. Early redemption referred to in letter b may be requested from 08.00 WIB up 11.00 WIB.
- d. Early redemption referred to in letter b may be requested through dealing system facilities as stipulated by Bank Indonesia.
- e. Early redemption may be requested in minimum amount USD.1,000,000.00 (one million US Dollars) by multiplication of USD.1,000,000.00 (one million US Dollars).
- f. Early redemption may be supported by information on reference number and name of Bid (auction name) may be requested at submitting Bid for Syariah Term Deposit in foreign exchange transaction.
- g. Early redemption either entirely or partly may be requested in full nominal value as set forth in every deal ticket.
- h. Early redemption supported by information on deal ticket confirmation at transaction obtain by OPT Participant may be requested at announcement of the result of Bid, by specifying information at Bid transaction to be made may be requested (at Greenwich Mean Time/GMT).
- i. Bank exercising early redemption of Syariah Term Deposit in foreign exchange transaction shall be granted compensation proportionately.

- j. Bank is subject to 10% (ten percent) charge of the compensation referred to in letter i for early redemption of Syariah Term Deposit in foreign exchange.

2. Settlement of Early Redemption

Bank Indonesia shall settle early redemption within two (2) working days as of the date early redemption is requested.

3. Computed Amount for Early Redemption

Cash amount for early redemption shall be the nominal value of Syariah Term Deposit in foreign exchange plus compensation less charge for early redemption, using the formula below.

IX. IMPLEMENTATION OF BID IN ABNORMAL CONDITION

1. In abnormal condition on Foreign exchange OMS Bid Automatic System that affects smooth implementation of Bid on Syariah Term Deposit in foreign exchange Bank Indonesia may exercise the following:
 - a. adjust the window time transaction of Syariah Term Deposit in foreign exchange transaction;
 - b. cancel Bid on Syariah Term Deposit in foreign exchange processed through Foreign exchange OMS automatic system; and/or
 - c. process Syariah Term Deposit in foreign exchange transaction manually.
2. If adjustment is made to window time or cancel the Bid process referred to in points 1.a and 1.b, Bank Indonesia shall inform the Bank through foreign exchange OMS Automatic System, LHBUS System, and/or other facilities.
3. As required, Bank Indonesia may process Bid on Syariah Term Deposit in foreign exchange manually as referred to in point 1.c, Bid shall be processed using Dealing Facilities System and/or other facilities stipulated by Bank Indonesia, such as e-mail or facsimile.

4. If Bank Indonesia stipulates more one than one (1) transaction facilities that may be used as referred to in figure 3, the Bank and/or Agent may only submit offer for Syariah Term Deposit in foreign exchange by means of the only one (1) transaction facilities stipulated by Bank Indonesia.
5. Bid process of Syariah Term Deposit in foreign exchange exercise4d manually as referred to in figure 3 shall be governed in the provisions below:
 - a. Bid Announcement
 - 1) Bank Indonesia shall announce a plan for Bid of Syariah Term Deposit in foreign exchange in at the latest prior to window time through LHBUS System and/or other facilities.
 - 2) Window time transaction of Syariah Term Deposit in foreign exchange may be made from 08.00 hours WIB up to 16.00 hours WIB, or other time as stipulated by Bank Indonesia.
 - 3) Announcement on the plan for Bid of Syariah Term Deposit in foreign exchange covers information on:
 - a) transaction facilities;
 - b) date of Bid;
 - c) term of Bid;
 - d) window time;
 - e) method of Bid;
 - f) indicative target;
 - g) percentage amount of penalty;
 - h) date of settlement (date of foreign exchange); and/or
 - i) due date.
 - b. Submission of Bid Offer
 - 1) Bank and Agent shall submit offer for Bid on Syariah Term Deposit in foreign exchange to Bank Indonesia through Dealing Facilities System and/or other facilities stipulated by Bank Indonesia within window time stipulated by Bank Indonesia based on the time recorded in the System of Bank Indonesia.

- 2) The offer for Bid on Syariah Term Deposit in foreign exchange as referred to in figure 1) covering information on:
- a) name of Bank;
 - b) date of transaction;
 - c) term;
 - d) due date;
 - e) Standard Settlement Instruction (SSI);
 - f) offer of nominal value; and/or
 - g) amount of compensation as announced by Bank Indonesia.
- 3) Offer for Bid on Syariah Term Deposit in foreign exchange as referred to in figure 2) shall be submitted based on the provisions below:
- a) offer may be submitted twice at maximum for each term offered;
 - b) nominal value of each offer submitted by the Bank shall be minimum USD.5,000,000.00 (five million US Dollars) and the rest with multiplication of USD.1,000,000.00 (one million US Dollars);
 - c) if the offer needs to be corrected the Bank and Agent may only made one time correction for each offer submitted within window time of Syariah Term Deposit in foreign exchange;
 - d) the correction referred to in letter c) may be made only to the information on the other than the name of Bank and term of Syariah Term Deposit in foreign exchange;
 - e) any correction to offer must comply with the requirements for submitting offer as referred to in letter b);

- f) Bank and Agent must monitor authenticity of the data in the offer for Syariah Term Deposit in foreign exchange submitted to Bank Indonesia;
 - g) Bank and Agent shall be responsible for authenticity of the data of the offer submitted to Bank Indonesia;
 - h) Bank and Agent are prohibited from cancelling the offer submitted to Bank Indonesia;
 - i) Agent shall be obliged to submit information to the Bank on Syariah Term Deposit in foreign exchange submitted in the interest of the Bank; and
 - j) If the offer submitted by the Bank and Agent fails to comply with the provisions referred to in letter a) through letter d) or fails to make correction to the offer within window time of transaction of Syariah Term Deposit in foreign exchange the offer shall be declared revoked.
- c. decision on Bid winner of Syariah Term Deposit in foreign exchange shall be taken as governed in figure V.
- d. Bank Indonesia shall announce the result of Bid of Syariah Term Deposit in foreign exchange after process of taking decision based on mechanisms referred to below:
- 1) Bank Indonesia shall announce the Bid winner to all Banks and Agent using the LHBUS System and /or other facilities stipulated by Bank Indonesia, such as:
 - a) nominal value won and/or
 - b) amount of compensation from Syariah Term Deposit in foreign exchange;
 - 2) confirm to the Bank winning the Bid individually through the Dealing System facilities and/or other facilities stipulated by Bank Indonesia, such as e-mail or facsimile, in the form form:
 - a) nominal value and compensation amount;

- b) term;
 - c) date of settlement (date of foreign exchange);
 - d) due date; and/or
 - e) request for Standard Settlement Instruction (SSI) of the Bank.
- 3) if the Bid offer is submitted through Agent, the confirmation referred to in figure 2) shall be made with the provisions below:
- a. confirmation shall be made by Agent, if the Bank concerned possess no Dealing System facilities stipulated by Bank Indonesia; atau
 - b) confirmation shall be submitted to the Bank concerned, if the Bank concerned possess Dealing System facilities as stipulated by Bank Indonesia.
- e. Settlement of Syariah Term Deposit in foreign exchange shall be exercised based on the provisions below.
- 1) Transfer the fund for obligatory settlement settlement of Syariah Term Deposit in foreign exchange based on the nominal value as set forth in every Dealing Ticket Confirmation of Bid for Syariah Term Deposit in foreign exchange.
 - 2) Settlement of Syariah Term Deposit in foreign exchange in abnormal condition in OMS Bid Automatic System in foreign exchange shall be conducted in accordance with the provisions referred to in Chapter VII.

X. PROCEDURE FOR PENALTY CHARGE

- 1. Failure of the Bank to comply with obligatory settlement leading to revocation of transaction on Syariah Term Deposit in foreign exchange as referred to in point VII.1.e, Bank is subject to penalty in the form of:
 - a. written reminder with copy to the Authority for Financial Service; and

- b. obligation to pay a certain percentage of the value of revoked transaction, as announced by Bank Indonesia at the announcement of the plan for transaction referred to in point III.B.4.
2. written reminder as referred to in point 1.a. submitted in two (2) working days at the latest as of the cancellation of transaction referred to in point VII.1.e.
3. The penalty for obligatory payment as referred to in point 1.b. shall be charged by debiting the Bank's foreign exchange clearing account at Bank Indonesia within two (2) working days at the latest as of the revocation referred to in point VII.1.e.
4. Without prejudice to the penalty referred to in figure 1, if the Bank conducts an OMS transaction that is declared cancelled for three (3) times within six (6) months, the Bank is subject to penalty in the form of temporary termination from exercising OMS activity for five (5) consecutive working days.
5. The penalty of temporary termination from participating in OMS activity as referred to in figure 4 takes effect one (1) working day after having obtained information on the revoked transaction effective one (1) day after having obtained the information on the revocation of OMS transaction for the third time.

XI. CLOSING PROVISION

With the enactment of this Circular Letter of Bank Indonesia:

1. Circular Letter of Bank Indonesia No.16/13/DPM, dated July 24, 2014, concerning Procedure for Placement of Syariah Term Deposit in foreign exchange; and
2. Circular Letter of Bank Indonesia No.17/9/DPM, dated May 20, 2015, concerning Amendment to Circular Letter of Bank Indonesia No.16/13/DPM, dated July 24, 2014 on Procedure for Placement of Syariah Term Deposit in foreign exchange,

Is revoked and declared null and void.

This Circular Letter of Bank Indonesia takes effect on November 29, 2016.

For public recognition, this Circular Letter of Bank Indonesia shall be announced by placing it in the State Gazette of the Unitary State of the Republic of Indonesia.

Thus for your information.

BANK INDONESIA,

sgd.

DODDY ZULVERDI

(MA)