

# THE PROTECTION OF CUSTOMERS IN THE EXECUTION OF THE TRANSFER OF FUNDS THROUGH BANK INDONESIA-REAL TIME GROSS SETTLEMENT SYSTEM

(Circular of the Head of the Payment System Operation  
Department of Bank Indonesia Number 17/34/DPSP,  
dated November 13, 2015)

To  
ALL PARTICIPANTS OF BANK INDONESIA-REAL  
TIME GROSS SETTLEMENT SYSTEM

Following the enforcement of Regulation of Bank Indonesia Number 17/18/PBI/2015 on the Implementation of Transactions, Administration of Securities and Real Time Settlement of Funds (Statute Book of the Republic of Indonesia Year 2015 Number 273, Supplement to Statute Book of the Republic of Indonesia Number 5762), it is necessary to regulate provision on the protection of customers in the execution of the transfer of funds through Bank Indonesia-Real Time Gross Settlement System as follows:

## I. GENERAL PROVISION

1. Bank Indonesia-Real Time Gross Settlement System hereinafter called BI-RTGS System is infrastructure used as electronic instrument of the transfer of funds having settlement executed real time per individual transaction.
2. Operator of BI-RTGS System hereinafter

called Operator is Bank Indonesia operating system in the real settlement of funds through BI-RTGS System.

3. Participant of BI-RTGS System hereinafter called participant is a party already fulfilling requirement and securing approval from the operator as participant in the implementation of BI-RTGS System.
  4. Settlement of Funds is a process of final settlement of financial transaction through debiting and crediting settlement account of funds.
  5. Settlement Account of Funds is account of participant in BIRTGS System in the rupiah and/or foreign currencies, which is administered by Bank Indonesia for the settlement of funds.
- ## II. PROCEDURES FOR COMPLETING ORDER TO TRANSFER FUNDS
1. Order to transfer funds which is prepared by

sender customer contains at least:

- a. identity of sender customer;
  - b. identity of recipient customer;
  - c. identity of recipient participant;
  - d. amount of the transferred funds;
  - e. date of order to transfer funds; and
  - f. other information according to legislation that regulates the transfer of funds, which must be mentioned in order to transfer funds.
2. The identity of sender customer as meant in point 1.a and the identity of customer receiving funds as meant in point 1.b contain at least name and account number.
  3. The identity of recipient participant as meant in point 1.c contains at least name of recipient participant and location/city where office of recipient participant is located.
  4. In the case of sender customer or recipient customer not having account in participant, the identity as meant in point 2 contains at least name and address.

### III. RESPONSIBILITY OF SENDER PARTICIPANT

#### 1. Completeness of the filling of order to transfer funds

Sender participant must require sender customer to complete the form of order to transfer funds as meant in II.1 completely and truthfully as well as observe the effective provisions. The effective provisions are among other provision ruling the principle know your customer, anti-money laundering legislation, especially for the monitoring of suspicious financial transaction and legislation ruling the transfer of funds.

#### 2. Sending of Funds Settlement Instruction to Recipient Participant

- a. In the case of sender participant already accepting to pass on order to transfer funds from sender customer, the sender participant is obliged to pass on the order to transfer funds in the form of funds settlement instruction with the provision as follows:
  - 1) The funds settlement instruction is sent to recipient participant on the same date as the date of receipt of order to transfer funds from sender customer.
  - 2) The sending of funds settlement instruction on the same date as meant in point 1) is executed by sender participant as soon as possible in no later than one hour as from the acceptance of order to transfer funds.

- 3) Sender participant is deemed already accepting order to transfer funds if the sender participant:
  - a) has debited account of sender customer;
  - b) has issued funds settlement instruction intender to execute order to transfer funds from sender customer; or
  - c) has submitted acceptance notification to sender customer through the agreed media.
- 4) In the case of order to transfer funds from customer being received by sender participant:
  - a) less than one hour before the expiration of the sending period of fund settlement instruction in the interest of customer and sender participant not having sufficient time to pass on order to transfer funds; or
  - b) after the expiration of customer service hour stipulated by participant, sender participant is obliged to send funds settlement instruction to recipient participant on the ensuing working day no later than one hour after the operational hour of BI-RTGS system starts.
- b. The debiting of account of sender account is executed on the same date as the sending date of funds settlement instruction by sender participant.
- c. In the case of the debiting of customer account being earlier than the sending date of funds settlement instruction, sender participant is obliged to pay fee, interest or compensation to sender customer in accordance with the rate of fee, interest or compensation effective for kind of account of sender customer as from the date of the debiting of account of sender customer up to the date when sender participant sends fund settlement instruction, plus the rate of fee, interest or compensation as much as 200 (two hundred) basis points.
- d. The obligation to pay fee, interest or compensation as meant in letter c does not apply in the case of the would-be transferred funds result from cash remittance.
- e. The payment of fee, interest and compensation as meant in letter c is counted on the basis of calendar day.
- f. Example of the calculation of the payment of fee, interest and compensation is as follows:
 

Customer submits order to transfer funds on Friday, November 20, 2015 on customer service hour wherein sender participant has sufficient time to pass on the order to transfer funds on the same date. However, sender participant is just able to pass on the order to transfer funds on Monday, November 23, 2015. In the case of account of the sender customer being already debited on Friday, November 20, 2015, the sender participant is obliged to grant fee, interest or compensation for 3 (three) days plus compensation rate 200 (two hundred) basis points, with the calculation as follows:

3 days x (fee, interest or compensation for kind of account of sender customer + 2)% x 1/365 x nominal value of funds already debited.

### 3. Settlement of Funds Settlement Instruction Not Processed by Operator

a. In the case of sender participant already debiting account of sender customer and already sending funds settlement instruction but the instruction is not processed by operator because the funds settlement instruction fails to meet the provision of Bank Indonesia ruling the real time settlement of funds through BI-RTGS System, the sender participant is obliged to prepare and send again the funds settlement instruction:

- 1) on the same date; or
- 2) on the ensuing working-day in no later than one hour after the operational hour of BI-RTGS starts.

b. In the funds settlement instruction being re-sent on the ensuing working day as meant point a.2), the sender participant is obliged to pay fee, interest or compensation to sender customer in accordance with the rate of fee, interest or compensation effective for the account of the sender customer, starting from the date when the account of the sender customer is debited up to the date when the sender participant passes on the funds settlement instruction.

c. The provision on the obligation to pay fee, interest or compensation as meant in letter b does not apply if the would-be transferred funds result from cash remittance.

d. The payment of fee, interest or compensation as meant in letter b is counted on the basis of calendar day.

e. Example of the calculation of fee, interest and compensation is as follows:

Customer submits order to transfer fund to sender participant on Wednesday, November 18, 2015 in customer service hour and sender participant sends funds settlement instruction to recipient participant on the same date. However, the funds settlement instruction is not processed by operator because of the reason as meant in letter a. Sender participant later sends again the funds settlement instruction to recipient participant on Thursday, November 19, 2015. The sender participant is obliged to grant fee, interest or compensation for one day with the calculation as follows:

1 day x fee, interest or compensation for account of customer sending funds x 1/365 x nominal value of the transferred funds.

### 4. Conformance of funds settlement instruction to funds transfer order

a. In the case of sender participant sending funds settlement instruction not matching the order to



transfer funds already prepared by sender customer, the sender participant is obliged to send again the funds settlement instruction at expense of the sender participant in accordance with order to transfer funds from sender customer.

b. The funds settlement instruction as meant in letter a has to be re-sent:

- 1) on the same date when the mismatch as meant in letter a is known; or
- 2) on the ensuing working day in no later than one hour after the operational hour of BI-RTGS system starts without waiting for the returning of funds from recipient participant or untitled recipient customer.

c. In the case of the condition as meant in letter b occurring, sender participant is obliged to pay fee, interest or compensation to sender customer in accordance with the rate of fee, interest or compensation effective for account of sender customer, starting from the date when the account of sender customer is debited up to the date when the sender participant sends new funds settlement instruction.

d. Example of the calculation of fee, interest and compensation is as follows:

Sender customer submits order to transfer funds on Friday, November 20, 2015 and the sending of funds settlement instruction to recipient participant is executed by sender participant on the same date but the sender participant commits mistake in the preparation of funds settlement instruction thus causing the funds to be addressed to untitled customer.

In the case of account of the sender customer being already debited on Friday, November 20, 2015 and sender participant just sends new funds settlement instruction on Friday, November 27, 2015, the sender participant is obliged to grant fee, interest or compensation for 7 (seven) days with the calculation as follows:

7 days x fee, interest or compensation for account of customer sending funds x  $\frac{1}{365}$  x nominal value of the debited funds.

## 5. Settlement of Funds Settlement Instruction Returned By Recipient Participant

a. In the case of sender customer having account at sender participant

- 1) In the event that sender participant has sent funds settlement instruction in accordance with the order to transfer funds from sender customer, but the recipient participant returns the funds settlement instruction because of certain reason, the sender participant is obliged to credit account of the sender customer on the same date as the date when the funds settlement instruction is returned.

2) Unless the funds are credited on the same date as the returning date of funds settlement instruction, the following provision applies:

- a) the sender participant is obliged to pay fee, interest or compensation to entitled sender customer in accordance with the provision as meant in point 2.d and point 2.e;
- b) the fee, interest or compensation is counted as from the date when the account of sender customer should be credited up to the date when the account of sender customer is credited.

b. In the case of sender customer not having account at sender participant

1) The sender participant has to send notification by letter or other instrument to sender customer about the returning of fund settlement instruction, which constitutes a basis for sender customer to take again funds at sender participant.

2) The notification as meant in point 1) is submitted:

- a) on the same date as the returning date of funds settlement instruction by recipient participant; or
- b) in no later than the ensuing working day in the case of:
  - (1) customer service hour of sender participant already ending; or
  - (2) office of sender participant where sender customer executes transaction is located in territory with not supporting communications and transportation facilities.

#### IV. RESPONSIBILITY OF RECIPIENT PARTICIPANT

##### 1. Directing Funds to Recipient Customer

In the case of recipient participant accepting the funds settlement instruction received from sender participant, the recipient participant is obliged to pass on funds to recipient customer with the provision as follows:

a. In the case of recipient customer not having account at recipient participant

- 1) Recipient participant is obliged to pass on funds to recipient customer on the same date as the date when operator settles the funds.
- 2) The transfer of funds to recipient customer as meant in point 1) has to be executed as soon as possible or in no later than one hour as from the receipt of funds settlement instruction from recipient participant.
- 3) Unless recipient participant passes on funds to the recipient customer as meant in point 1):

Recipient participant secures funds settlement instruction on Wednesday, November 18, 2015. Nonetheless, recipient participant commits mistake in the channeling of funds thus causing the funds to be received by untitled customer.

In the case of recipient participant passing on funds to the entitled customer on Wednesday, November 25, 2015, the recipient participant is obliged to grant fee, interest or compensation to the entitled customer for 7 (seven) days with the calculation as follows:

$7 \text{ days} \times (\text{fee, interest or compensation for account of recipient customer} + 2)\% \times 1/365 \times \text{nominal value of the transferred funds.}$

### 3. Returning of Funds from Recipient Participant to Sender Participant

a. In the case of on the basis of result of verification, recipient participant being unable to pass on funds to recipient customer, the sender participant has to return the funds promptly to sender participant.

b. In the case of sender participant submitting request to recipient participant to return funds because of certain reasons, among other, mismatch between funds settlement instruction and order to transfer funds thus the funds are received by untitled recipient customer, the following provision applies:

1) In the case of recipient participant not yet passing funds in accordance with order to transfer funds from recipient participant, recipient participant has to return promptly the funds to sender participant or in no later than one working day after the request from sender participant.

2) In the case of recipient participant already passing one funds in accordance with order to transfer funds from sender participant:

a) Recipient participant is obliged to give response to sender participant in no later than 10 (ten) working days as from the date of the request for the returning of funds from sender participant.

b) The response as meant in letter a) is executed by taking into account the indemnity received from sender participant and internal policy as well as provision of recipient participant.

c. In the case of recipient participant being unable to return directly funds in accordance with the request of sender participant as meant in point b.2), the sender participant collect directly the mistakenly sent funds to the untitled recipient customer.

d. In the case of the condition as meant in letter c occurring, recipient participant has to help sender participant by providing data related to:

- 1) the crediting of account of the untitled recipient customer; and
  - 2) identity of the untitled recipient customer recorded in administration of recipient participant.
- e. In the case of recipient participant being able to withdraw again funds from the untitled recipient customer, the returning of funds to sender participant is as much as the amount of funds which may be withdrawn again by the recipient participant.
- f. The obligation of recipient participant to return funds or give response as meant in letter b only applies in the case of the request for the returning of funds from sender participant being received in no later than 60 (sixty) calendar days as from the crediting date of funds settlement account of recipient participant at operator.
- g. In the case of sender participant submitting request for the returning of funds or giving response as meant in letter b after elapsing the 60 (sixty) calendar day period as meant in letter f, the following provision applies:
- 1) the recipient participant may reject or accept the request and submits it to sender participant in no later than 10 (ten) working days as from the date of the request for the returning of funds from sender participant.
  - 2) In the case of the recipient participant rejecting the request for the returning of funds as meant in point 1), the sender participant may collect the funds directly to the untitled recipient customer.
  - 3) In the case of the condition as meant in point 2) occurring, the recipient participant has to help sender participant by among others providing data related to:
    - a) the crediting of account of the untitled recipient customer; and
    - b) identity of the untitled recipient customer recorded in administration of recipient participant.
- h. In the case of recipient participant approving the request of sender participant to return the funds as meant in letter g, the returning of funds is as much as the total amount of the withdrawn funds as meant in letter e.

## V. ANNOUNCEMENT OF COST IN THE IMPLEMENTATION OF BIRTGS SYSTEM

1. Participant is obliged to announce in writing in every office of participant:
  - a. cost of transaction through BI-RTGS System which is charged by operator to participant, including the revision; and
  - b. cost of transaction through BI-RTGS System, which is charged by participant to customer, including the revision.



2. The announcement as meant in point 1 is placed in every office of participant in a place that customers are easy to see.
3. Operator may announce the cost of transaction in the implementation of BI-RTGS System, which is charged by participant to customer.
4. In the framework of the announcement of the transaction cost as meant in point 3, participant has to submit to operator the cost of transaction through BI-RTGS System, which is charged to customer with the address as follows:  
Bank Indonesia  
Payment System Operation Department, Funds Settlement and Securities Administration Division  
Gedung D 3rd Floor  
Jalan M.H. Thamrin No. 2  
Jakarta 10350.
5. In the case of any change in the name of department, division and/or address as meant in point 4, the operator notifies the change through letter and/or other instrument.
6. In the case of any change in the cost of transaction in the implementation of BI-RTGS system, which is charged by participant to customer, the participant has to submit the change to operator with the address as meant in point 4 in no later than 7 (seven) working days as from the adjustment of the transaction cost.

#### VI. SERVICE HOURS OF CUSTOMER USING SERVICE OF BI-RTGS SYSTEM

In stipulating service hours of customers using BI-RTGS System, participant has to refer to service hours stipulated by the operator as meant in in the provision of Bank Indonesia ruling the real time settlement of funds through BI-RTGS System by taking into account the time needed by participant to settle transaction through BI-RTGS System.

#### VII. MISCELLANEOUS

In the case of sharia bank and sharia business unit, the provision on fee, interest or compensation in this circular is adjusted to the sharia principle in force.

#### VIII. PROCEDURES FOR IMPOSING SANCTION

1. Sender participant failing to meet the obligation to send funds settlement instruction as meant in point

- III.2.a.2) is subject to payment liabilities as governed in regulation of Bank Indonesia ruling the implementation of transaction, administration of securities and real time settlement of funds.
2. Recipient participant failing to meet the obligation to channel funds to recipient customer as meant in point IV.1.a.2) is subject to payment liabilities as governed in regulation of Bank Indonesia ruling the implementation of transaction, administration of securities and real time settlement of funds.
  3. The imposition of the sanction as meant in point 1 and point 2 is done in no later than 14 (fourteen) working days as from the last monitoring period by means of debiting funds settlement account of participant.

#### IX. CONCLUSION

Following the enforcement of this circular, Circular of Bank Indonesia No. 10/10/DASP dated March 5, 2008 on the Implementation of Transaction through Bank Indonesia Real Time Gross Settlement System (BI-RTGS System) in the framework of the protection of participant customer is revoked and declared null and void.

The circular starts to apply as from November 16, 2015.

For public cognizance, the circular shall be published by placing it in State Gazette of the Republic of Indonesia.

This is for your attention.

BANK INDONESIA,

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BRAMUDIJA HADINOTO

THE HEAD OF THE PAYMENT SYSTEM OPERATION DEPARTMENT

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