





Bali, June 20<sup>th</sup>, 2023

**PT Kliring Penjaminan Efek Indonesia** 



### AGENDA



### **1. About KPEI**

2. Default Management

**3. Recovery** 

**4.** Resolution



#### **About KPEI**



KPEI as an CCP carries out clearing and guarantees for the settlement of stock exchange transactions.

The clearing activity referred to determine the rights and obligations of exchange transactions, of each Clearing Member (CM) which must be completed on the settlement date (T+2).

Guarantee settlement of stock exchange transactions is carried out by providing legal certainty for the fulfillment of rights and obligations for CM arising from exchange transactions.

#### **KPEI's Rules**

FSA Regulation No. 26/POJK.04.2014 - Exchange Transaction Settlement Guarantee.





## AGENDA 2 Default Management

### **KPEI** Guarantee Scope

Waterfa

Default

01

02



31 May 2023 ONE Collateral (Defaulting CM) TNO **Default Management KPEI's Skin in** The Game (\$ THREE Credit Facility (\$ 4 Mio) FOUR Guarantee (\$ 482.4 Mio) FIVE **Credit Ring** (CCP Recovery)

SIT

12 Mio)

Fund

CCP

Resolution

### **KPEI Default Waterfall**

#### Collateral

03

04

Fund, Securities, and/or other financial instruments belong to Clearing Member as guarantee that can be used by Clearing Guarantee Institution to settle Securities Exchange Transaction.

#### Guarantee Reserve (KPEI's Skin in the Game)

Provision from KPEI net profit set aside to carry out the function of guarantee and settlement of stock exchange transactions and has been approved at the General Meeting of Shareholders

#### **Bank Loan (Credit Facility)**

05

Contractual loan between KPEI and bank

#### **Guarantee Fund**

Is a pool of fund contributed by Clearing Member based on transaction to guarantee settlement exchange transaction. Guarantee Fund is non-refundable.

#### **Credit Ring**

Clearing Members which are, either individually or collectively, required to fulfill the obligation of Clearing Guarantee Institution regarding the Securities Exchange Transaction Settlement Guarantee. Financial Sources from other Credit Rings according to the proportion stated in the regulations





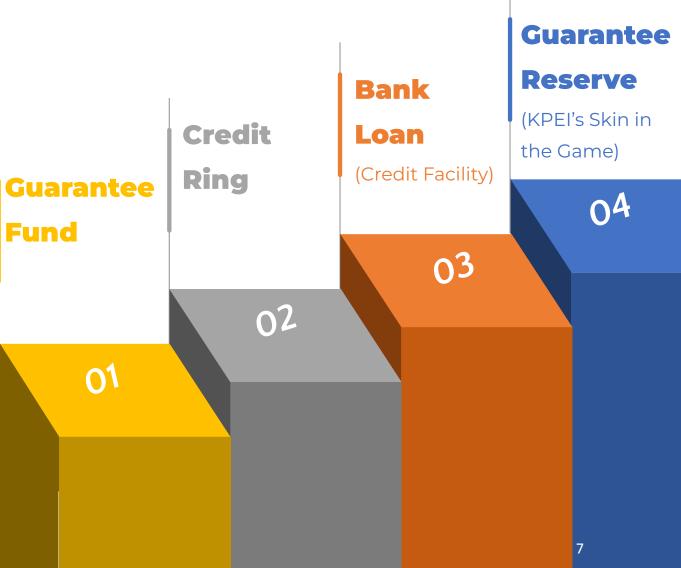
## AGENDA 3 Recovery

**Replenishment Default Waterfall** 

## Process of Repayment of Financial Sources from Clearing Member

In accordance with FSA Regulation No. 26/POJK.04/2014 Chapter IV Article 23 Clause (3), then the order of repayment of financial sources must be conducted in accordance with the following priority order:





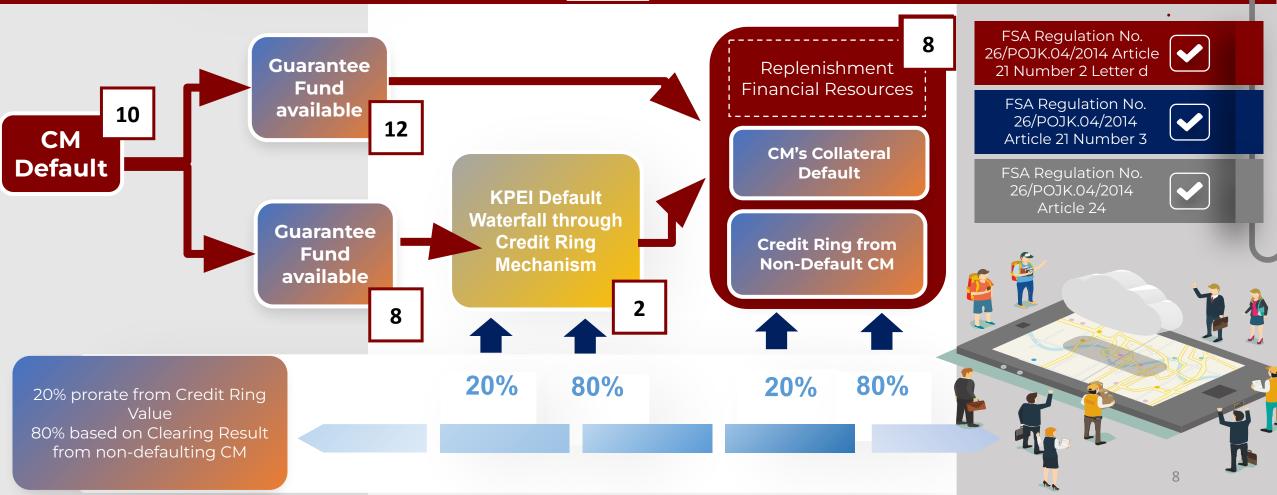


#### **Replenishment Default Waterfall**



Credit Ring Mechanism FSA Regulation No. 26/POJK.04/2014 (Article 21 Clause 2)

Credit Ring mechanism is carried out since day 1 of the default until guarantee fund is fulfilled by Defaulting Clearing member and Credit Ring.







## AGENDA 3 Resolution

### Resolution

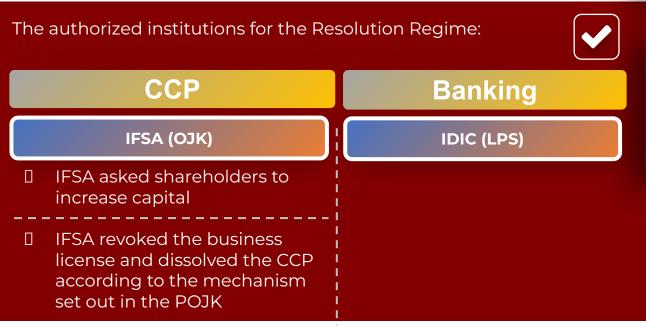
Law Number 4 of 2023 concerning Financial Sector Development and Strengthening



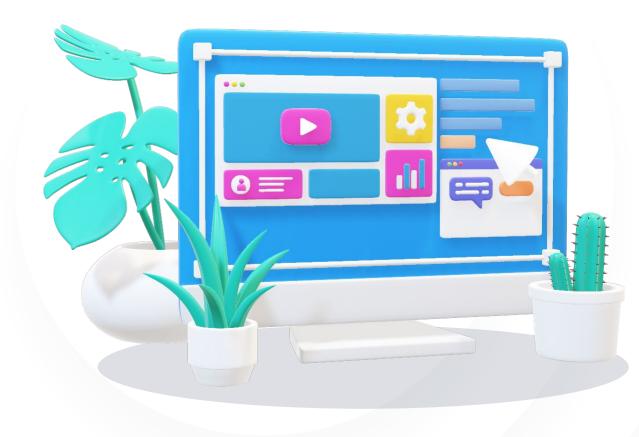
## **KPEI's Proposal** for Resolution



KPEI as CCP will enter into the Resolution Regime for the Capital Market as well as Financial Market (if the CCP Derivative is implemented)







# Thank you

Kliring Penjaminan Efek Indonesia S @Ask\_IdClear



