Morning Session: Indonesia Capital Market Update

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ABOUT IDClear

Regulatory Framework

- Indonesia Act No. 8/1995 on Capital Market
- Government Regulation No 45/1995 on Implementation Activities in The Capital Market Sector
- POJK Regulation No. 26/POJK.04/2014 on Settlement and Guarantee of Exchange Transaction
- IDClear Rulebook
ABOUT IDClear

VISION
• To become the Clearing and Guarantee Institution reliable of providing the best services in capital markets and other financial markets in Indonesia.

MISSION
• To make Indonesian capital markets and financial markets more attractive by providing safe and efficient clearing and settlement guarantee infrastructure and delivering other value-added services.

OBJECTIVE
• To become a trusted CCP for exchange, OTC, and bilateral transactions by providing best-in-class infrastructure for clearing services, risk management, and collateral management.
ABOUT IDClear

2011 - 2015
a. Launching of Straight Through Processing (STP) Mechanism
b. Launching of Front End Securities Borrowing & Lending (SBL) Facility

2016 - 2020
a. The Launching of New Clearing and Settlement System for Derivative
b. The Implementation of Institutional Delivery Mechanism
c. The Implementation of Account Operator Services
d. The Launching of New e-CLEARS System
e. The Implementation of Acceleration of Securities Exchange Transaction Settlement Cycle from T+3 to T+2
f. The Implementation of Triparty Repo Facility
g. Obtained Principal Agreement from Bank Indonesia to become CCP institution for Derivative Transactions of Interest Rate and 2020 Exchange Rate – Over the Counter (CCP OTCD)
h. Launched m-CLEARS application
i. Implemented e-IPO service with other SROs

2021 - 2023
a. Corporate Rebranding: New Logo (IDClear)
b. Capacity and Performance Improvement through e-CLEARS System Reengineering Process
c. e-IPO System Capacity Improvement
d. IDClear's Appointment as Provider of Government Bonds Transaction Clearing in Secondary Market from Bank Indonesia
e. Implementation of Shortcut Settlement
f. Implementation of Structured Warrant Clearing Services
g. Implementation of SBL Bilateral Services.
ABOUT IDClear
There are two methods of clearing and settlement of transactions organized by IDClear, there are Netting Method and Trade for Trade Method (TFT).

a. **Netting Method**
   
   Netting value efficiency is the percentage of the total value of regular exchange market transactions divided by the total value of netting settlements.

b. **Trade for Trade Method**

   As 31 Dec 2022, Average Daily Value Cleared Transaction is Rp5.26 trillion (up 15.85% from 2021) and result for netting value efficiency is 57.19%.
Regulated OTC Transaction Clearing

This type of transaction, which is doing outside the Exchange, provides Debt and Sukuk Securities products and carried out through the Alternative Market Operator System in IDX.

The clearing method for this product is trade-for-trade (TFT) using an IDClear system called e-BOCS which has been available since 29 October 2021.

The settlement of transactions outside the Exchange is carried out with KSEI’s system called central depository and book entry settlement system or C-BEST, and the central bank of Indonesia system, called Bank Indonesia’s Scripless Securities Settlement System (BI-SSSS).
1. Guarantee Fund

The Guarantee Fund managed by IDClear increased by 12.8% in 2022.

As 31 Dec 2022, Reserved fund increased 10.28% to reach Rp181,43 billion.
IDClear provides 2 (two) types of Securities Lending and Borrowing (SBL) services, namely:

a. **Guarantee SBL**, that are consist of:
   - Regular SBL
   - Front End SBL

b. **SBL Bilateral**, that are consist of:
   - Arranged:
   - Customized:

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<th>2022</th>
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<td>Value SBL : Rp 347,13 Bn</td>
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<td>Volume SBL : 939,04 Mn Shares</td>
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Collateral Management is one of the risk management tools used by IDClear in managing credit risk of Clearing Members. IDClear requires all Clearing Member to submit collateral in the form of funds, securities and/or other monetary instruments under IDClear’s based on their risk calculation that conducted by IDClear.

IDClear manages Clearing Member’s collateral in the form of online and offline with the following mechanisms:

a. **Online collateral** is secured in electronic account in KSEI, comprising cash and securities such as Stocks, Warrants, Right issues, Exchange Traded Fund (ETF), Real Estate Investment Fund (DIRE), Infrastructure Investment Fund (DINFRA), Government Securities and Corporate Bonds.

b. **Offline collateral** is managed by IDClear themselves, in the forms of Bank Guarantee, Time Deposit, Minimum Cash Collateral, and IDX Seat.
Repurchase Agreement (Repo)
- Repo is securities selling transaction followed by agreement to repurchase the securities within an agreed upon time frame.
- IDClear supports the parties involved in Repo transaction in collateral and margin management, collateral replacement, transaction settlement and monitoring, as well as calculation of revenue and dividend or bonds interest replacement.

Triparty Repo
- Triparty Repo is a Repurchase Agreement (Repo) involving IDClear as third party.
- As of today, IDClear has 9 participants in Triparty Repo.

IDClear Triparty Repo Participants

Value Repo : Rp 623,10 Bn
Volume Repo : 2,69 Bn Shares
IDCLEAR FUTURE ACTIONS

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**Becoming CCP-OTC Derivative**

**Developing CCP Repo Service**

**Implementing Integrated Collateral Management System**

**Enhancing Clearing System**

**Clearing Service Carbon Trading**

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**Strategic Plan**
THANK YOU