

# Morning Session: Indonesia Capital Market Update

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# CONTENT

01

ABOUT IDClear

02

IDClear ROLES & SERVICES

03

IDClear FUTURE ACTIONS



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## BACKGROUND IDClear

VISION & MISSION

MILESTONE

SUBSIDIARIES

## 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

BACKGROUND  
IDClear

**VISION & MISSION**

MILESTONE

SUBSIDIARIES

## 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

BACKGROUND  
IDClear

VISION &  
MISSION

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E

SUBSIDIARIES

## 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 IDCclear

BACKGROUND  
IDClear

VISION & MISION

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SUBSIDIARIE  
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**CLEARING & SETTLEMENT  
EXCHANGE TRANSACTION**



**SECURITIES BORROWING &  
LENDING**



**CLEARING FOR OTC  
TRANSACTION**



**COLLATERAL  
MANAGEMENT**



**GUARANTEE & RISK  
MANAGEMENT**



**OTHER SERVICES**



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There are two methods of clearing and settlement of transactions organized by IDClear, there are **Netting Method** and **Trade for Trade Method (TFT)**.

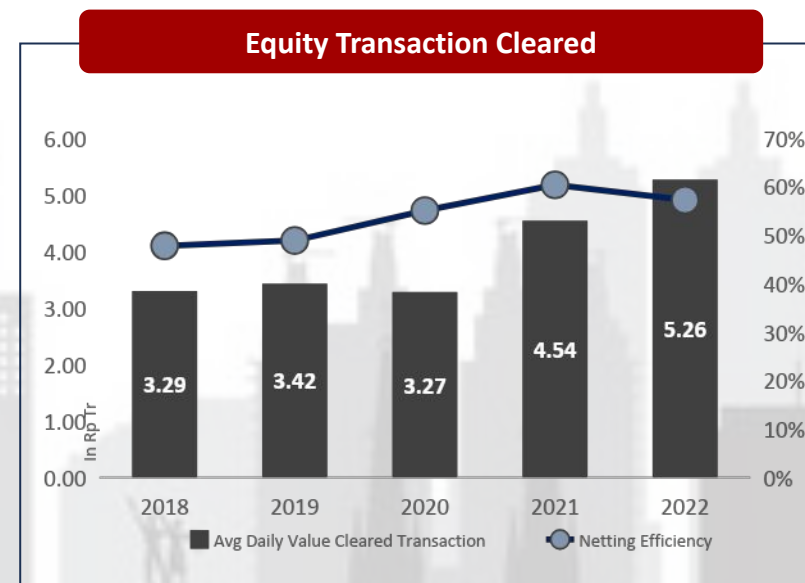
## a. Netting Method

*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%.**

## CLEARING & SETTLEMENT EXCHANGE TRANSACTION





## 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.

### CLEARING FOR OTC TRANSACTION

CLEARING & SETTLEMENT  
EXCHANGE TRANSACTION

SECURITIES  
BORROWING &  
LENDING

COLLATERAL  
MANAGEMENT

GUARANTEE & RISK  
MANAGEMENT

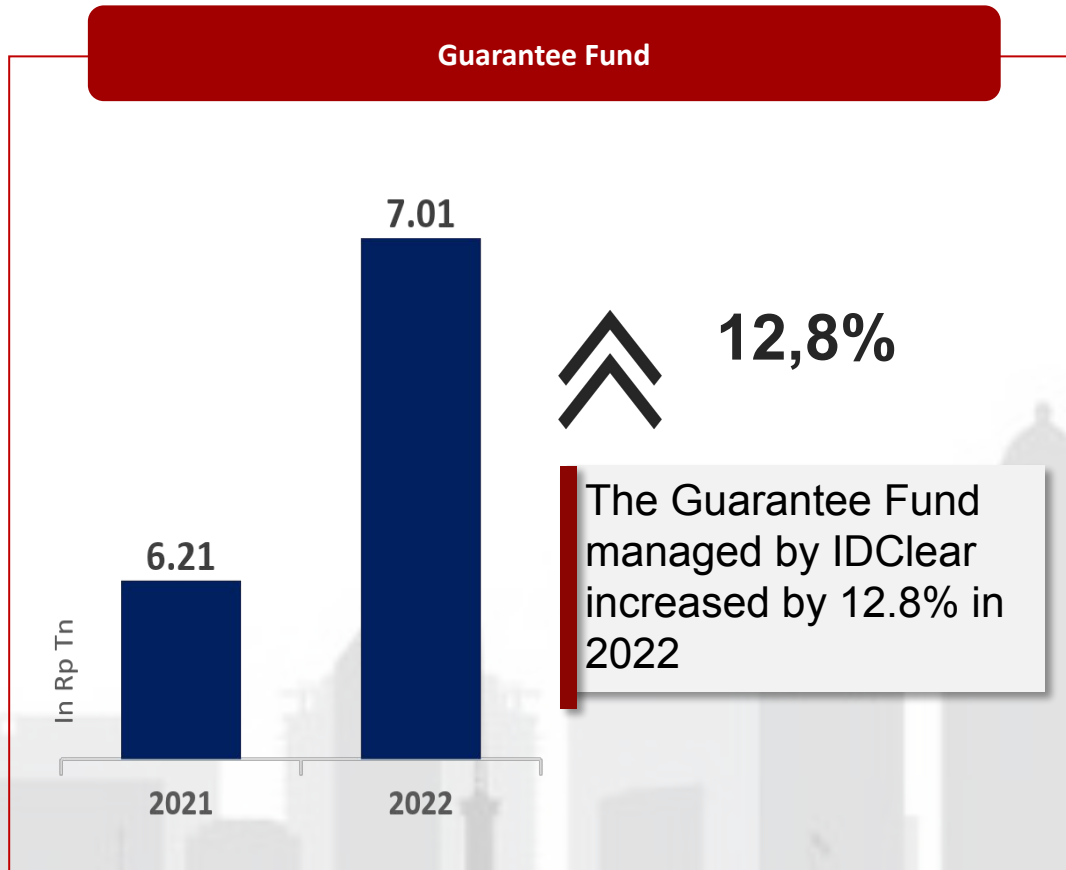
OTHER SERVICES



**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



## GUARANTEE & RISK MANAGEMENT

CLEARING & SETTLEMENT  
EXCHANGE TRANSACTION

CLEARING FOR OTC  
TRANSACTION

SECURITIES  
BORROWING &  
LENDING

COLLATERAL  
MANAGEMENT

OTHER SERVICES

## 2. Reserve Fund

**As 31 Dec 2022, Reserved fund increased 10,28% to reach Rp181,43 billion.**

## SECURITIES BORROWING & LENDING



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:

### Securities Borrowing Lending



**2022**

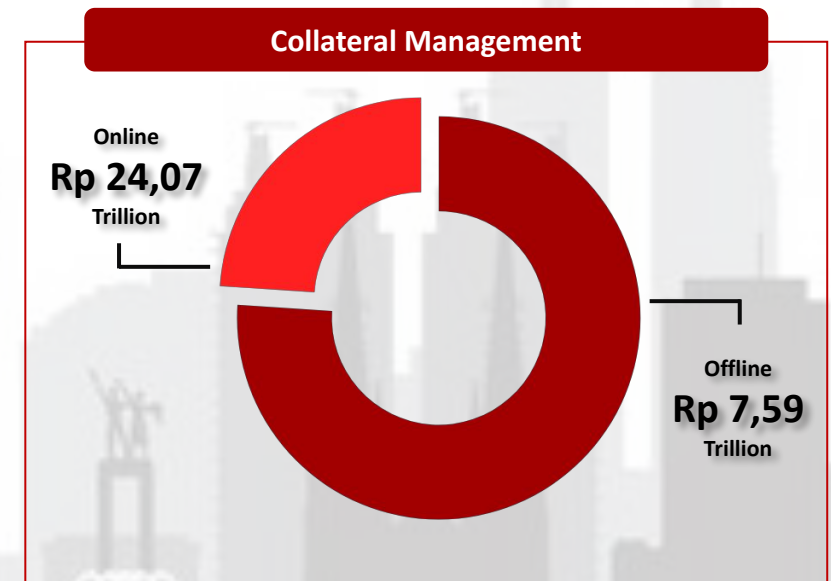
Value SBL : Rp 347,13 Bn  
Volume SBL : 939,04 Mn Shares

**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.
- ❑ IDClear provides system for Triparty Repo, that conforms to the standard set by OJK regulation in OJK Regulation No. 09/POJK.04/2015 regarding Guideline of Repurchase Agreement Transaction for Financial Services Institution. The OJK Regulation requires the application of Global Master Repurchase Agreement (GMRA) Indonesia Annex documents
- ❑ As of today, IDClear has 9 participants in Triparty Repo



**12 Triparty Repo  
Participants**



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# ROLE & SERVICES

**INSTITUTIONAL DELIVERY**

**ACCOUNT OPERATOR**

**ELECTRONIC INITIAL PUBLIC OFFERING (E-IPO)**

**MEMBER INTERFACE**

**MOBILE CLEARING AND GUARANTEE SYSTEM (M-CLEAR)**



# IDCLEAR FUTURE ACTIONS





# THANK YOU



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