

Indonesia Clearing and Guarantee Corporation (KPEI)

Institutional Delivery
ACG Cross Training - Yogyakarta

Introduction to Institutional Delivery (ID)

Background

According to KPEI Rules No. II-5, current Settlement of Securities Transaction on Equity is attainable to be carried out through the Custodian Bank as a Settlement Agent or known as Institutional Delivery mechanism.

Main Benefit

Efficiency Funding for Clearing Members

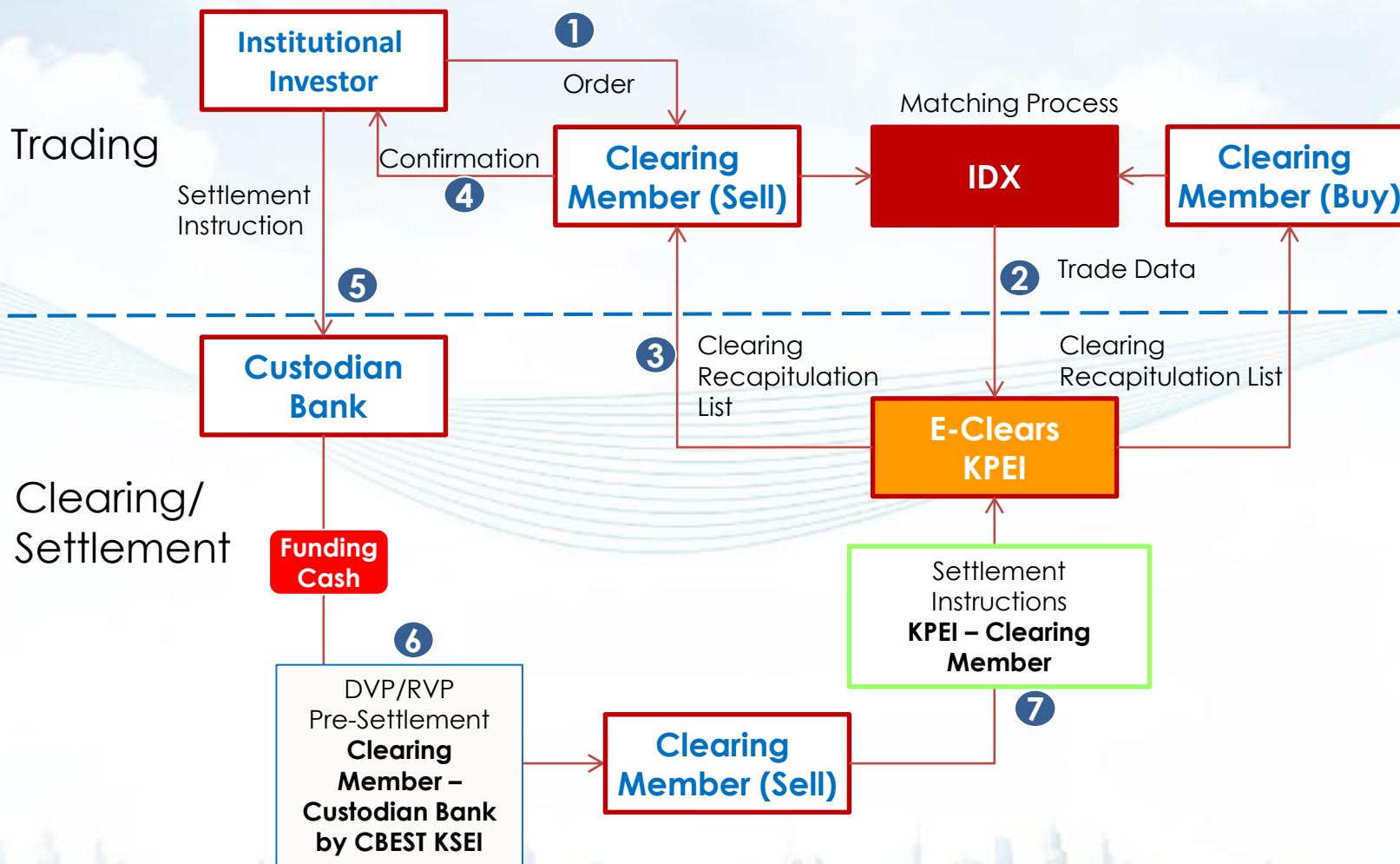
Provides greater opportunities for Clearing Member reserve fund previously used as funding



Simplification of Settlement Process for Institutional Investors

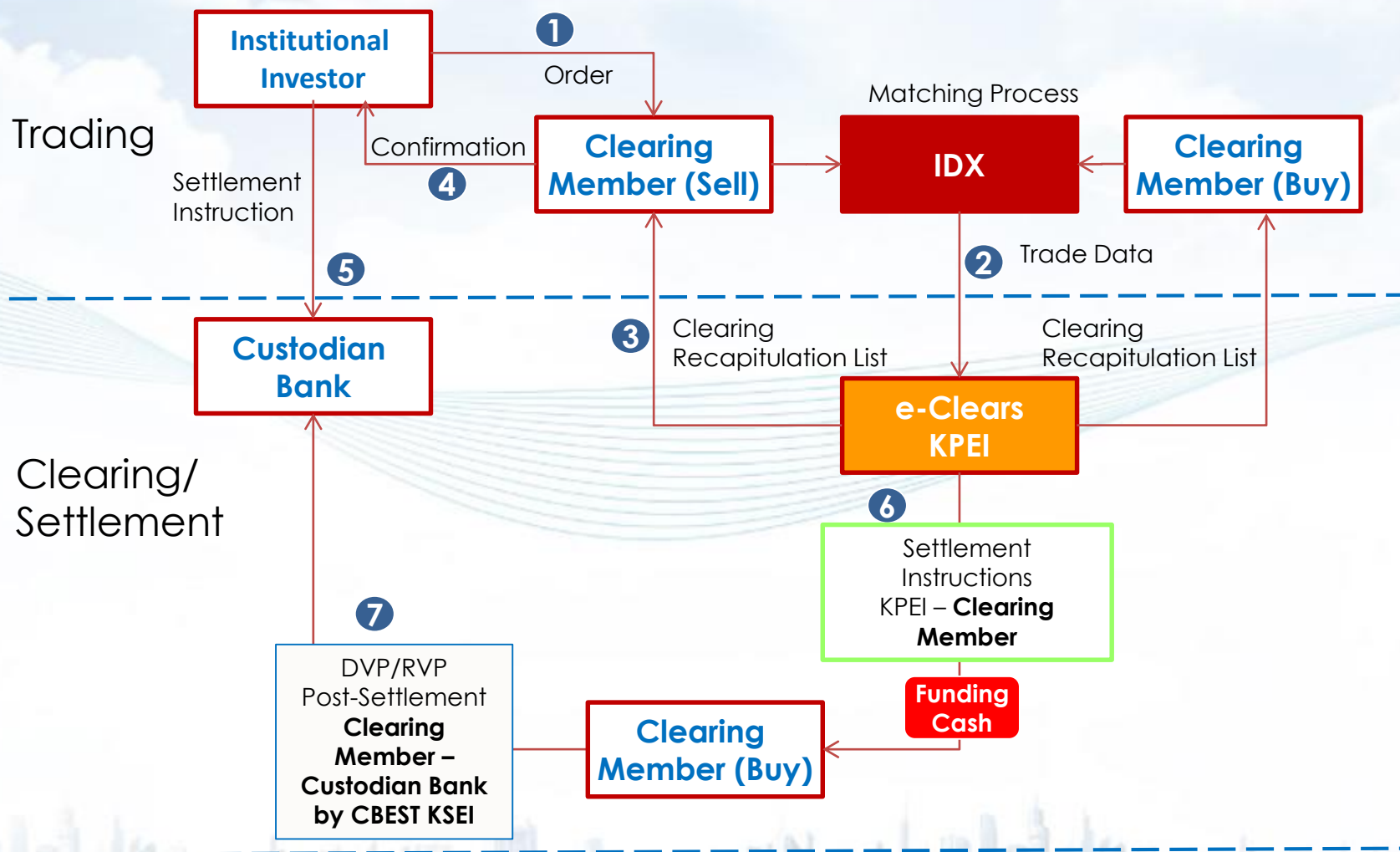
Custodian Banks will directly transfer the Institutional Investor's obligation to KPEI

Current Condition (*Funding - Sell*)



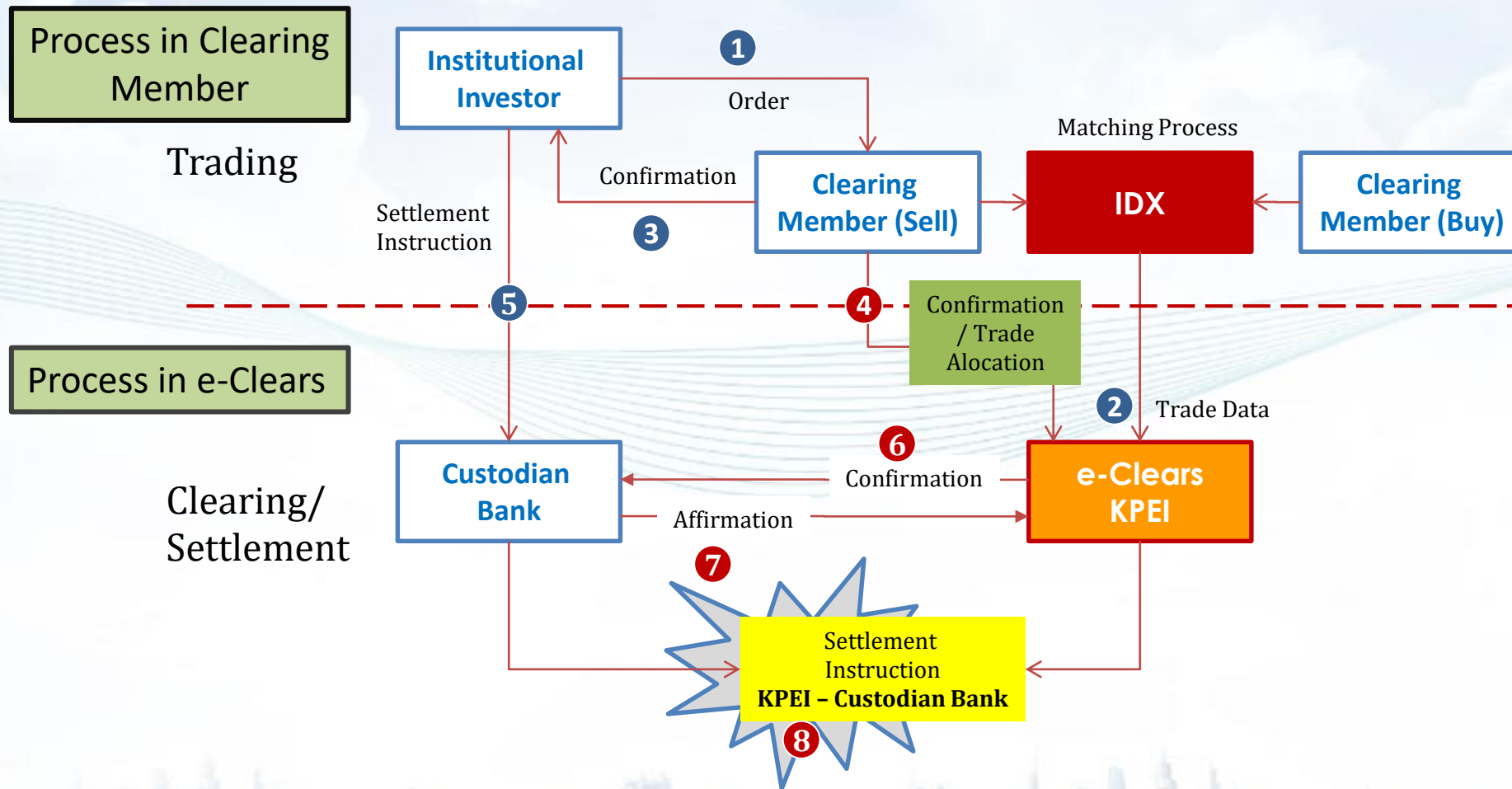
* Clearing Member (Sell) provides funds to redeem securities received on Custodian Bank to be deliver to KPEI

Current Condition (*Funding – Buy*)



* Clearing Members (Buy) provide funding to redeem securities received from KPEI to be deliver to Custodian Bank.

Institutional Delivery (ID)



Key Success Factors

➤ Supports from Regulator

Implementation of the initiative shall be encourages, and supervised by the Financial Services Authority (OJK)

➤ Supports from Industry: Custodian Banks

The development of the initiative heavily relied on the cooperation of the Custodian Banks in supporting the Clearing Members to utilize Institutional Delivery as additional services for the Institutional Investor transactions.

Challenges

➤ Enhancement on Custodian Bank's System

As custodian banks will directly transfer the investors's cash or/and securities obligation to KPEI through KPEI's system, system enhancement are required to be completed in utilize this services.

➤ Adjustment to Operational Settlement procedures in Custodian Bank

The technical procedures should accommodate both for regular settlement and settlement with Institutional Delivery (with specific procedures & time frame)



Kliring Penjaminan Efek Indonesia

PT Kliring Penjaminan Efek Indonesia
(Indonesia Clearing and Guarantee Corporation)

Indonesia Stock Exchange Building, Tower I, 5th Floor
Jl. Jenderal Sudirman Kav. 52-53, Jakarta 12190, Indonesia

Phone : (62-21) 515 5115 (hunting)
Toll Free : 0800-100-KPEI (5734)
Fax : (62-21) 515 5120
Email : customer.care@kpei.co.id
Website : www.kpei.co.id