



iDClear

Edition 1 • 2024

News

Kliring Penjaminan Efek Indonesia

**Soft Launching of
Single Stock Futures:**

Introducing A More Efficient Settlement Processes



PT Kliring Penjaminan Efek Indonesia



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IDClear - Kliring Penjaminan Efek Indonesia



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Advancing Performance Towards Operational Excellence

As we step into 2024, IDClear is poised to continue its array of accomplishments from the preceding year, with a firm commitment to improving the quality, capacity, and ongoing operational services.

Throughout 2023, the Indonesia capital market witnessed a resilient upswing amidst a backdrop of global economic and political uncertainties. This resilience manifested notably in the Jakarta Composite Index (JCI) reaching 7,303.89 by December 28, 2023, marking a robust 6.62% surge from the previous year. Noteworthy was the attainment of an all-time high market capitalization to Rp11,762 trillion.

Simultaneously, the average exchange daily transaction value stood at Rp10.75 trillion, accompanied by average exchange daily transaction volume of 19.8 billion shares and average exchange daily transaction frequency of 1.2 million times daily. Evidently, public interest in the Indonesia capital market soared, with a net increase of 1.85 million investors to 12.16 million investors. Specifically, stock market saw additional 811,000 new investors, adding the total to 5.25 million.

These achievements are inseparable to the concerted efforts and performance of the Self-Regulatory Organization (SRO), including IDClear, complemented by the oversight and support of the Financial Services Authority (OJK). In 2023, IDClear garnered notable achievements across financial, operational, and corporate realms.

President Director of IDClear Iding Pardi said IDClear posted Rp105.98 billion in net profits for 2023, with IDClear's equity totaling Rp2.17 trillion. In terms

of operations, 2023 saw an average daily exchange transaction settlement value of Rp4.06 trillion, boasting an efficiency rate of 55.17%. Daily exchange transaction settlement volumes averaged at 7.26 billion shares, with an efficiency rate of 61.41%. Securities Lending and Borrowing (SLB) transaction values stood at Rp73.03 billion, with a share volume of 22.15 million, while triparty repo transactions totaled Rp503.78 billion, with a volume of 19.81 billion shares.

In its capacity as a guarantee institution, IDClear proactively mitigates exchange transaction settlement risks, managing collateral from Clearing Members (CM) and their clients. Collateral valuations as of December 2023 amounted to Rp31.83 trillion, IDClear Rp24.49 trillion in online collateral and Rp7.35 trillion in offline collateral. Additionally, IDClear accumulates guarantee funds for each transaction, with total Guarantee assets reaching Rp7.74 trillion by December 2023, up from Rp7.01 trillion the previous year.

IDClear allocates reserve guarantees in accordance with the Annual General Meeting of Shareholders resolution on May 29, 2023, earmarking 5% of IDClear's 2022 net income, totaling Rp12.7 billion. Consequently, the total Reserve Guarantee sum managed by IDClear as of December 2023 increased to Rp194.14 billion. "This profits allocation for guarantee underscores the Company's commitment to bolster financial resilience in addressing contingencies. IDClear effectively fulfilled its role as a guarantee institution, ensuring the integrity of every transaction settlement process," Iding explained.

Beyond financial and operational milestones, IDClear clinched significant achievements in 2023, notably earning recognition from the European Securities Market Authority (ESMA) as a Third-Country



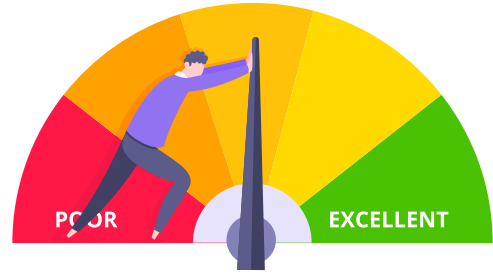
editorial

IDClear is prepared to face 2024 with a sense of optimism, aiming to build upon the successful achievements in 2023. Despite grappling with various challenges, particularly stemming from geopolitical crises impacting both the global and national economy, IDClear remains steadfast in its commitment to sustaining positive performance, thereby maintaining the continued growth of Indonesia's capital market.

In the first edition of IDClear News 2024, Headline presents an overview of the performance achievements in 2023 alongside outlining IDClear's strategic program agenda for 2024. Furthermore, the Special Article segment covers the soft launch of Single Stock Futures (SSF) products, highlighting IDClear's pivotal role in furnishing clearing and guarantee services for SSF.

In closing, the Editorial team extends our best wishes to our reader and hopes that the first edition of IDClear News 2024 will prove to be insightful and beneficial.

Best Regards,
Editorial Team



CCP. This acknowledgement affirms the regulatory party of IDClear's services with those of European and global CCPs. "It's expected to foster heightened international investor confidence in IDClear and capital market services," Iding affirmed.

IDClear's accomplishments in 2023 extend to various programmatic endeavours, including the launch of Bilateral SLB, the implementation of a collateral management system for SBNT derivative transactions, enhancements to the latest iteration of the risk management system of the m-CLEARs application platform, clinching a Platinum Award in the LACP 2022 Vision Award Annual Report Competition, and the renewal of several ISO certifications.

MAPPING OUT 2024

Stepping into year 2024, Iding underscores IDClear's to confront challenges, notably the related to the regulations consolidations among OJK, Bank Indonesia, and Bappebti over the financial derivative products and services, related to the enactment of Law No. 4/2023 on the Development and Strengthening of the Financial Sector (PPSK Law). Iding also explained IDClear's steadfast commitment towards elevating its performance towards operational excellence. A meticulously devised blueprint delineates IDClear's strategic roadmap, accentuating operational prowess through the fortification of information technology and human capital, innovation in product and service realms, and the orchestration of cohesive oversight mechanisms.

Head of Strategic Planning and Corporate Risk Management Division at IDClear, Abdul Hadie, said that the Company's core operational directives are charted across five strategic streams. These encompass bolstering transactional support mechanisms, catalysing product evolution initiatives, refining operational workflows, fortifying IT infrastructure frameworks, and augmenting the organization's human capital reservoir.

Among the pivotal strategic initiatives poised for execution are the rollout of the OTC Derivative SBNT CCP, the strategic development of the Repo Market's infrastructure, the refinement of equity transaction settlement frameworks at CM Level, and the systemic overhaul of clearing and risk management.

Abdul explained IDClear's concerted efforts towards enhancing user-centric service delivery, underscored by proactive engagement with customer satisfaction metrics gleaned from the survey cycles in 2023. Periodically, IDClear meticulously evaluates the efficacy of its operational frameworks and user engagement strategies through focus group dialogues across the organizational spectrum.

"Hopefully, all targets and all operations process can run seamlessly. Should any challenges impedes, swift resolutions are sought to realign our course, ensuring the seamless execution of our agreed-upon strategic agenda," Abdul concluded.



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Soft Launching of Single Stock Futures: Introducing A More Efficient Settlement Processes

The launching of Single Stock Futures (SSF) is expected to offer a more diverse array of products in Indonesia's capital market while simplifying settlement mechanisms for investors.

Indonesia's capital market on March 25, 2024, initiated a soft launch of a new derivative instrument, the Single Stock Futures (SSF), granting investors access to a new avenue of investment. SSF entails agreements or contracts between parties to buy or sell a stock in the future at a predetermined price. The underlying assets for SSF are individual stocks, specifically those belonging to the LQ45 index, chosen for their perceived liquidity and strong fundamental attributes.

Director of IDClear Antonius Herman Azwar said SSF transactions are attractive because they allow investors to gain profits in both bullish and bearish market conditions. Investors can adopt long positions when they anticipate stock price appreciation, and conversely, short positions when they foresee declines. "By taking a long position, investors secure a purchase price lower than the prevailing market rate. Conversely, by taking short positions, investors secure a sale price higher than the market rate," he said.

Antonius further elaborated that SSF transactions can be executed daily, mirroring the mechanisms of stock transactions. However, the profits occur within a truncated timeframe, typically within a single trading day (T+1), as opposed to the standard two-day period (T+2). Additionally, investors can engage in SSF transactions with a mere 4% of the actual capital value required when purchasing the actual stocks.

In its initial phase, the SSF's underlying stocks are limited to select LQ45 constituents, including ASII, BBCA, BBRI, MDKA, and TLKM. To facilitate these transactions, several securities firms have committed to acting as pilots in SSF



transactions. "Later, with time, this range will expand as awareness of this instrument grows," Antonius explained.

Ari Trisianto, Head of Clearing, Settlement, and Securities Lending and Borrowing Division at IDClear, explained that despite SSF transaction mechanisms being relatively more complex than those of stocks, IDClear ensures certainty and security in transaction settlement. Like other financial instruments, IDClear provides services for clearing, settlement, collateral management, and risk management. "With IDClear's assurance, we hope this will give a sense of security to investors. In the event of any failures, IDClear will assume responsibility for ensuring transaction settlement," Ari asserted.

Ari underscored a significant change in SSF transaction settlement processes compared to previous derivative products. This is due to the shift from utilizing Payment Bank accounts to employing Derivative Contract Securities Sub-Accounts at KSEI for settlement.

This transition marks a pivotal breakthrough for Indonesia's derivatives market, given the relatively expedited account opening process. Moreover, utilizing KSEI accounts will streamline settlement processes, as most capital market investors already own KSEI accounts, and the Self-Regulatory Organization (SRO) infrastructure is fully integrated, as in the

equity market. "Consequently, the account opening process, transaction readiness, and derivative product settlement become more accessible for both investors and securities companies as clearing members," Ari said.

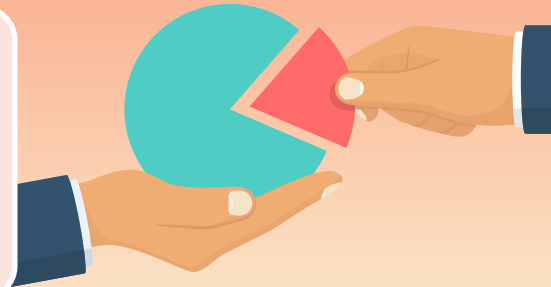
Head of Project Management Unit at IDClear Indriana Damayanti added that bringing this instrument to market posed considerable challenges. The primary obstacle faced by SROs lies in preparing market participants, particularly securities companies acting as exchange and clearing members. This necessitates securities firms to develop internal systems to accommodate these new derivative transactions and enhance internal comprehension to offer them to clients. Therefore, SROs are focused on promoting awareness and education about this product. "With increased understanding, we expect heightened transactional activities, alongside the growth of financial market literacy and inclusion," Indriana said.

Ari added that SSF, with its clear underlying assets, robust regulation, and guaranteed transaction settlement, stands as a safer and superior alternative to other speculative instruments available in the market. "Investors can seize profit opportunities across various market conditions and employ it as a hedging instrument for their stock holdings," Ari concluded.

EXCHANGE TRANSACTION

	Frequency (Times)	Volume (Shares)	Value (Rp)
Total 2024	68.728.158	1.014.242.886.611	636.763.840.432.685
Daily Average 2024	1.184.968	17.486.946.320	10.978.686.904.011

Data until 31 March 2024



EXCHANGE TRANSACTION SETTLEMENT

	Settlements		Efficiency	
	Volume (Shares)	Value (Rp)	Volume (%)	Value (%)
Total 2024	362.594.289.200	231.097.278.016.700	61,94	56,72
Daily Highest	11.716.455.500	7.867.837.909.900	67,52	62,36
Daily Average	6.251.625.676	3.984.435.827.874	61,76	56,73
Daily Lowest	4.790.336.700	2.643.119.106.200	50,72	51,90

Data until 31 March 2024

ALTERNATE CASH SETTLEMENT (ACS)

	ACS		Clearing Members (ACS)	
	Volume (Shares)	Value (Rp)	CM Deliver	CM Receive
Total	532.500	198.356.250	1	1
Highest	532.500	198.356.250	1	1
Average	532.500	198.356.250	1	1
Lowest	532.500	198.356.250	1	1

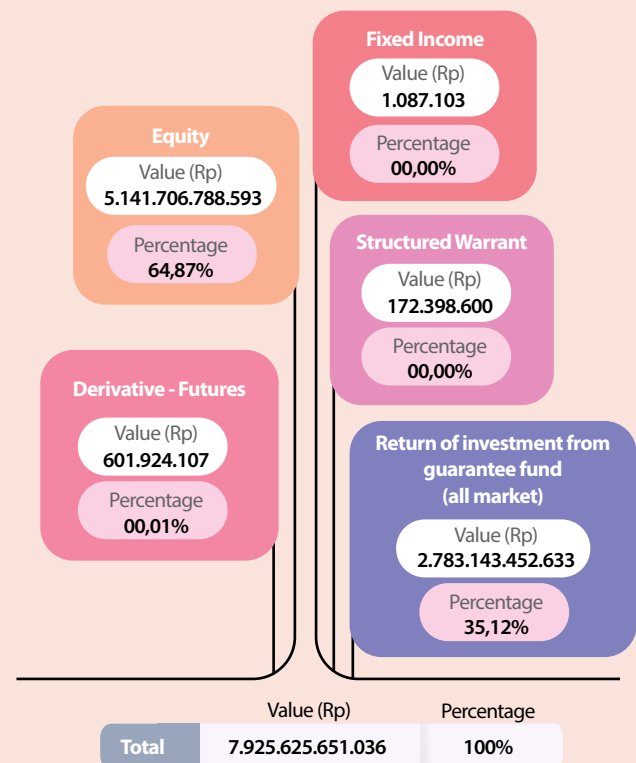
Data until 31 March 2024

INTRADAY FACILITY

Usage (Rp)		Fees Paid (Rp)
69.251.499.048.207	Total	945.171.979
23.083.833.016.069	Monthly Average	315.057.326
1.193.991.362.900	Daily Average	16.296.068

Data until 31 March 2024

GUARANTEE FUND POSITION



Data until 31 March 2024

GUARANTEE RESERVE POSITION

	Value (Rp)
Guarantee Reserve	194.140.609.444

Data until 31 March 2024





SECURITIES BORROWING AND LENDING TRANSACTIONS

	Total			Daily Average		Number of Days
	Value (Rp)	Volume (Shares)	Frequency (Times)	Value (Rp)	Volume (Shares)	
January	4.945.835.300	841.500	11	159.543.074	27.145	31
February	849.835.600	130.500	4	29.304.676	4.500	29
March	598.145.000	150.900	6	19.295.000	4.868	31
Total	6.393.815.900	1.122.900	21	17.469.442	3.068	91

Data until 31 March 2024

OFFLINE COLLATERAL COMPOSITION

Bank Guarantee

Collateral Value (Rp)
2.421.587.894.999Percentage
33,59%

Time Deposits

Collateral Value (Rp)
3.613.626.539.280Percentage
50,13%

Minimum Cash Collateral

Collateral Value (Rp)
1.164.315.388.988Percentage
16,15%

IDX Seat

Collateral Value (Rp)
9.100.000.000Percentage
0,13%

	Collateral Value (Rp)	Percentage
Total	7.208.629.823.268	100%

Data until 31 March 2024

ONLINE COLLATERAL COMPOSITION

Cash

Collateral Value (Rp)
1.767.477.899.878Percentage
7,03%

Stock

Collateral Value (Rp)
22.682.328.690.159Percentage
90,28%

Bonds

Collateral Value (Rp)
676.053.004.887Percentage
2,69%

	Collateral Value (Rp)	Percentage
Total	25.125.859.594.925	100%

Data until 31 March 2024

TRIPARTY REPO TRANSACTIONS

	Total	
	Value (Rp)	Volume
January	8.800.000.000	11.000.000.000
February	57.500.000.000	183.042.900
March	134.521.223.424	598.000.000
Total	200.821.223.424	11.781.042.900

Data until 31 March 2024

DERIVATIVE TRANSACTIONS

	Frequency (Times)	Volume (Contract)	Value (Rp)
LQ 45	0	0	0
IDX 30	0	0	0
Index Futures (Total)	0	0	0
Indonesia Government Bond Futures	0	0	0

Data until 31 March 2024



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