

ATTACHMENT VIII TO

Decision of the Board of Directors of

PT Kliring Penjaminan Efek Indonesia

Number: Kep-042/DIR/KPEI/0924

Dated : 27 September 2024

PUVA TRANSACTION CLEARING AND SETTLEMENT PROVISIONS

I. Mechanism for the CCP Member in Clearing and Settlement of the Customer Contract by the CCP Member

I.1. KPEI may determine the requirements regarding the approval for the General CCP Member to provide the Customer PUVA Transaction Clearing and Settlement services as regulated in the Rule Book for PUVA Contract Acceptance Mechanism Provisions (Trade Management).

I.2. After the PUVA Initial Contract Registration has been received by KPEI and Novation to become a CCP Clearing Contract has occurred, the CCP Member and the Customer through the General CCP Member are declared valid to

obtain approval for the provision of the PUVA Transaction Clearing and Settlement services from KPEI.

I.3. The General CCP Member who provides the PUVA Transaction Clearing and Settlement services to the Customer is responsible for:

I.3.1. all Customer CCP Clearing Contracts;  
and

I.3.2. the performance of the Customer obligations.

## **II. Mechanism for the CCP Clearing Contract Settlement Clearing**

II.1. The CCP Member must:

II.1.1. place funds and/or securities as Collateral in a Collateral Account for its own interests and/or for the Customer interests in order to fulfill Margin invoice in accordance

with the calculations submitted by  
KPEI; and

II.1.2. place funds in the CCP Member  
Settlement Account in order to  
fulfill the PUVA Transaction  
obligations for its own interests  
and/or for the Customer interests in  
accordance with DHK PUVA.

II.2. KPEI has the authority to carry out the  
settlement process for DHK PUVA after  
fulfilling the fund obligations by the CCP  
Member in the CCP Member Settlement Account  
as follows:

II.2.1. KPEI carries out the book transfer  
of funds in accordance with DHK PUVA  
from the Settlement Account to:

II.2.1.1. the other CCP Member  
Settlement Account;

II.2.2.1. the CCP Member Collateral  
Account;

II.2.3.1. the CCP Member Default  
Fund Account;

II.2.4.1. KPEI fees and/or penalties  
account.

II.2.2. In the event that there is any fund  
shortfall in the CCP Member  
Settlement Account, KPEI may use and  
carry out book transfer of funds in  
the form of Initial Margin in the  
CCP Member Collateral Account for  
the purpose of settlement of DHK  
PUVA before the settlement process  
takes place.

II.3. The overall DHK PUVA settlement process for  
the fulfilment of rights and obligations of  
the CCP Member is carried out from 12.00 WIB  
to 15.00 WIB.

II.4. KPEI carries out the Clearing process for the CCP Clearing Contract which is acceptable and has satisfied the Eligibility Criteria Requirements as regulated in the Rule Book for PUVA Contract Acceptance Mechanism Provisions (Trade Management).

II.5. The CCP Clearing Contract which does not satisfy the Eligibility Criteria Requirements as regulated in the Rule Book for PUVA Contract Acceptance Mechanism Provisions (Trade Management) will have status rejected and will not be Cleared by KPEI.

II.6. KPEI determines the obligations including but not limited to the Clearing and Settlement components in the issued DHK PUVA as follows:

II.6.1. Variation Margin of the CCP Member and/or Customer which is carried out on a Settle to Market basis;

## ENGLISH TRANSLATION

II.6.2. Price Alignment Amount;

II.6.3. Net Periodic Cash Flow;

II.6.4. invoice for the Minimum Cash  
Maintenance shortfall of the CCP  
Member;

II.6.5. invoice for the Default Fund  
Contribution shortfall;

II.6.6. carry forward invoice on Event of  
Default of the CCP Member; and

II.6.7. invoice for penalty resulting from  
the use of KPEI capital allocation  
for the Event of Default management  
(skin in the game) and the Default  
Fund Contribution from the CCP  
Member who does not experience Event  
of Default.

## **III. CCP Clearing Contract Clearing and Settlement**

III.1. KPEI makes DHK PUVA available to the CCP Member no later than 21.00 WIB on PUVA Clearing Day.

III.2. The CCP Member must fulfill the CCP Clearing Contract obligations when DHK PUVA is received until no later than the issuance of DHK PUVA on the PUVA Clearing Day at 12.00 WIB on the next PUVA Clearing Day (T+1).

III.3. KPEI must fulfil rights of the CCP Member based on DHK PUVA.

III.4. Settlement of the CCP Clearing Contract transaction based on Clearing results is carried out after:

III.4.1. the calculation of fulfillment of rights and/or obligations of the Individual CCP Member in the Individual CCP Member Settlement Account; or

III.4.2.the calculation of fulfillment of rights and/or obligations of the General CCP Member and/or Customer in the General CCP Member Settlement Account.

III.5. KPEI provides the interday Margin Call invoice to the CCP Member no later than 21.00 WIB on the PUVA Clearing Day.

III.6. The Margin invoice provided by KPEI to the CCP Member as in Number III.5. is final.

III.7. The CCP Member must fulfill the Margin invoice submitted through the system provided by KPEI until 12.00 WIB on the next PUVA Clearing Day (T+1).

III.8. Report on the CCP Clearing Contract Rights and Obligations Settlement for DHK PUVA is provided by KPEI to the CCP Member no later than 16.00 WIB.



III.9. The CCP Member has the right to withdraw funds from the Settlement Account in accordance with KPEI regulations.

III.10. KPEI reconciles all CCP Clearing Contracts at the end of the PUVA Clearing Day and provides a summary report of Clearing results to the CCP Member, including:

III.10.1. list of the CCP Clearing Contract Cleared by KPEI; and

III.10.2. the CCP Clearing Contract value.

III.11. In the event that the CCP Member is unable to fulfill the obligation to settle the CCP Clearing Contract transaction in DHK PUVA in accordance with the time limit set out in the provisions of Numbers III.2. and III.7., KPEI has the authority to determine Event of Default as regulated in the Rule Book for Event of Default Management Provisions.

III.12. Settlement of the CCP Clearing Contract transaction based on DHK PUVA in the Settlement Account is final and it cannot be cancelled.

**IV. Force Majeure**

IV.1. Force majeure is a circumstance beyond the control and/or action of the government which make it impossible to fulfill rights and obligations of the CCP Member and/or KPEI in relation to the settlement of the CCP Clearing Contract.

IV.2. In the event that the delay in the settlement of the CCP Clearing Contract transaction is caused by the force majeure, the delay is not declared as a failure to fulfill rights and obligations of the CCP Member and/or KPEI.

IV.3. In the event of force majeure, the party affected by the force majeure must provide notification to the other party within a

period of no later than 1 x 24 hours as from the occurrence of the force majeure together with documents which prove the existence of the force majeure if possible.

IV.4. Further arrangements regarding the force majeure will be described in the CCP Clearing Contract.

**V. Annex**

The annex to the Rule Book for PUVA Transaction Clearing and Settlement Provisions is complementary in nature and explain each other in accordance with its functions and constitutes an inseparable part of the Rule Book for PUVA Transaction Clearing and Settlement Provisions, which consists of:

V.1 Annex A - PUVA Transaction Settlement Clearing Mechanism

**ANNEX A**

**PUVA TRANSACTION SETTLEMENT CLEARING MECHANISM**

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**I. Clearing Process for CCP Clearing Contracts**

I.1 KPEI carries out Clearing process for the PUVA Transaction which is acceptable and has satisfied the Eligibility Criteria Requirements and product attribute specifications determined in the Rule Book for the PUVA Contract Acceptance Mechanism Provisions (Trade Management)

I.2 For transactions which are ready to be Cleared at KPEI, a summary of transactions which are ready to be cleared by KPEI will be included in the Clearing Summary Report.

I.3 The Clearing Process is carried out at the CCP Member level for transactions carried out by the CCP Member and Customer of the CCP Member.

I.4 The Cleared components will be combined into one, which is also known as obligation crystallization, as follows:

I.4.1 Contract Settlement

I.4.1.1 Variation Margin on daily  
Mark-to-Market  
calculations.

I.4.1.2 Net Periodic Cash Flow on  
the IRS Transaction.

I.4.1.3 Price Alignment Amount.

Formulation of PAA is as  
follows:

$$\text{PAA (T)} = - [\text{MTM (T-1)} - \text{CF (T)}] \times r (T, T+1) \times \text{DCF (T, T+1)}$$

I.4.2 Minimum Cash Maintenance shortfall  
invoice

In the event that KPEI maintains Collateral liquidity owned by the CCP Member, there is a Minimum Cash Maintenance value for the Initial Margin required by KPEI. If the minimum value is not fulfilled by the end of the PUVA Clearing Day, then the Minimum Cash Maintenance shortfall will be invoiced to the CCP Member in DHK PUVA. The required Minimum Cash Maintenance value is the largest value compared to the percentage of total Initial Margin value of the CCP Member or a certain minimum nominal value determined in accordance with the Rule Book for Initial Margin, Variation Margin, and Default Fund Contribution Administration Provisions, then compared with the cash balance in the Collateral Account.

I.4.3 Default Fund shortfall invoice

In the event that KPEI mitigates risk of the CCP Member who experiences Event of Default, KPEI requires a minimum value of Default Fund which must be deposited by the CCP Member.

I.4.4 Carry forward invoice on Event of Default of the CCP Member

In the event that the CCP Member experiences Event of Default and is unable to fulfill its obligations, an invoice for the amount that the CCP Member cannot pay to another party will appear on the carry forward invoice. The value of carry forward invoice on DHK PUVA will be the accumulation of all invoices to other parties, including payment of penalties and fees to KPEI, as well as the use of KPEI capital

allocation for Event of Default management (skin in the game) and Default Fund Contribution of the CCP Member who does not experience Event of Default which has not been paid by the CCP Member.

I.4.5 Invoice for penalty resulting from the CCP Member Event of Default

In the event that the CCP Member experiences Event of Default, KPEI imposes a penalty for any use of KPEI capital allocation for Event of Default management (skin in the game) and the Default Fund Contribution of the CCP Member who does not experience Event of Default. The value of penalty invoice on DHK PUVA is the result of the penalty percentage, which is 0.25% (zero point twenty five percent) per day, multiplied by the accumulated value of the use of



skins in the game and the Default Fund Contribution of the other CCP Member as well as the accumulated penalty which has not been paid by the CCP Member who experiences Event of Default.

I.5. Report on the Clearing results will be included in DHK PUVA available in the Reporting menu in the system provided by KPEI.

I.6. KPEI provides 2 (two) types of DHK PUVA, namely:

I.6.1 DHK PUVA of the CCP Member level which contains detailed information on rights and/or obligations at the CCP Member level.

I.6.2 DHK PUVA of the Customer level which contains detailed information on rights and/or obligations for each party to the transaction.

- I.7 Based on the interday Margin invoice as set out in the Margin invoice report (Margin Report) provided by KPEI no later than 21.00 WIB, the CCP Member must fulfill the said invoice in the CCP Member and/or its Customer Collateral Account no later than 12.00 WIB on the next PUVA Clearing Day (T+1).
- I.8 The CCP Member is deemed to have fulfilled its obligations on the Margin invoice if at a certain point in time it has fulfilled the Margin invoice in accordance with the T-1 Margin Report value before 12.00 WIB.
- I.9 If at a certain point in time until 12.00 WIB there is a new Margin invoice, the CCP Member is deemed not to have experienced Event of Default and it is deemed an intraday Margin invoice.

**II. Settlement Process for CCP Clearing Contracts**

II.1. Fulfillment of obligations on DHK PUVA invoice must be fulfilled in the Settlement Account in accordance with the obligation crystallization value set out in DHK PUVA. Including if there is the CCP Member who has the right to receive the settlement component of the CCP Clearing Contract, but it has an obligation to deliver other components which value is greater than its right to receive, then it can fulfill the fulfillment of funds in its Settlement Account.

II.2. The fulfilment of invoice belonging to the CCP Member and its Customer in the Settlement Account can be carried out by the CCP Member in several manners, namely:

II.2.1 fulfillment through the CCP Member bank operational account via BI-RTGS;

II.2.2 fulfillment through the CCP Member Collateral Account or the Customer

Collateral Account of the CCP Member, if there is unblocked collateral owned.

II.3. In the event that the settlement process for delivering the funds is carried out, KPEI shall ensure the sufficiency of funds for the settlement of the CCP Member who has the obligation to deliver the funds for the settlement of the CCP Clearing Contract in accordance with DHK PUVA value. The settlement process of delivering the funds is carried out through the system provided by KPEI from 12:00 to 15:00 WIB. For the fulfillment value delivered partially by the CCP Member, KPEI determines the order of fulfillment of the settlement components, as follows:

II.3.1. Contract Settlement.

II.3.2. Return of carry forward by the CCP Member to KPEI.

II.3.3. Fulfillment of penalty payment to KPEI by the CCP Member.

II.3.4. Fulfillment of the CCP Member Default Fund invoice.

II.3.5. Fulfillment of Minimum Cash Maintenance invoice of the CCP Member.

II.4. In the event that the settlement process for receiving the funds is carried out, KPEI delivers the funds to the CCP Member who has the right to receive the settlement of the CCP Clearing Contract in accordance with DHK PUVA value after the settlement process for delivering the funds is completed. The settlement process for receiving funds is carried out through the system provided by KPEI from 12:00 WIB to 15:00 WIB. For the fulfillment value delivered by the CCP Member, if there is an obligation value greater than those received partially, KPEI

determines the order of fulfillment of the settlement components as follows:

II.4.1. Contract Settlement.

II.4.2. Return of carry forward by the CCP Member to KPEI.

II.4.3. Fulfillment of penalty payment to KPEI by the CCP Member.

II.4.4. Fulfillment of the CCP Member Default Fund invoice.

II.4.5. Fulfillment of Minimum Cash Maintenance invoice of the CCP Member.

II.5. If by 12:00 WIB the CCP Member Settlement Account is not fulfilled in accordance with the obligation value which must be delivered in accordance with DHK PUVA, KPEI has the authority to carry out book transfer of funds for the Initial Margin in the form of funds

from the CCP Member Collateral Account to the CCP Member Settlement Account within a period of time from 12:00 WIB to 15:00 WIB.

II.6. The book transfer of Initial Margin by KPEI as in Number II.5. can be used to cover shortfall in DHK PUVA components in relation to the fulfilment to another party namely Contract Settlement invoice, carry forward of default obligation invoice, and penalty invoice.

II.7. If there is an invoice for the use of Initial Margin used for the settlement in Number II.6. is not fulfilled until the next PUVA Clearing Day at 12:00 WIB, then the CCP Member can be declared to be in Event of Default.

II.8. In the event that the CCP Member experiences Event of Default as referred to in Number II.7., KPEI implements the default waterfall mechanism and has the authority to carry out book transfer of Initial Margin funds in the

Collateral Account of the CCP Member experiencing Event of Default to the CCP Member Settlement Account within a period of time from 12:00 WIB to 15:00 WIB to fulfill the shortfall in DHK PUVA components in relation to the fulfillment to another party, namely Contract Settlement invoice, carry forward of default obligation invoice, and penalty invoice.

- II.9. If the fulfillment originating from the CCP Member Collateral Account has been carried out and the funds in the CCP Member Settlement Account are still insufficient, then the CCP Member is declared to be in Event of Default and KPEI implements the default waterfall mechanism in fulfilling the CCP Member settlement within a period of time from 12:00 WIB to 15:00 WIB.

In the event of Event of Default caused by a lack of fulfillment of the obligation of the CCP Member who experiences Event of Default to the other CCP Member on the



Contract Settlement component, then KPEI has the authority to carry out the failure management as referred to in Number III of the Rule Book for Event of Default Management Provisions from financial resources as follows:

II.9.1 Utilization of Default Fund for the CCP Member who experiences Event of Default

KPEI has the authority to carry out the book transfer of funds from the Default Fund Account of the CCP Member who experiences an Event of Default to the Settlement Account of the CCP Member who experiences such Event of Default.

II.9.2 Utilization of KPEI Capital Allocation to carry out the Event of Default management of the CCP Member (skin in the game)

If the funds belonging to the CCP Member who experiences the Event of Default as referred to in Number II.9.1. is insufficient, then KPEI as the CCP can use the funds from KPEI capital allocation (skin in the game) to fulfill the settlement of Event of Default.

II.9.3 Utilization of the Default Fund Contribution from the CCP Member who does not experience an Event of Default

If the funds as referred to in Numbers II.9.1. and II.9.2. are insufficient, then KPEI has the authority to carry out the book transfer of funds from the Default Fund account for Default Fund Contribution of the other CCP Member who does not experience Event of Default.

II.10. In the event that the fulfillment obligation to the other CCP Member for the settlement of the CCP Clearing Contract has been fulfilled, but there are still shortfalls related to the fulfilment of the settlement obligation components to KPEI and itself (carry forward of default obligation invoice, fee invoice and penalty invoice, Minimum Cash Maintenance shortfall invoice, and Default Fund shortfall invoice), the CCP Member is declared to be in Event of Default. The shortfall management for the fulfilment of the said obligation components cannot use financial resources from other parties.

II.11. In the event that there are still shortfalls related to the fulfilment of the obligation of the CCP Member who is in default to KPEI which include DHK PUVA components for carry forward of default obligation invoice and penalty invoice, KPEI has the authority to carry out the book transfer of funds sourced from the Default Fund account belonging to

the CCP Member who experiences Event of Default.

II.12. In the event that the obligations to the other CCP Member and the obligation to KPEI have been fulfilled, but there are still shortfalls related to the fulfilment of the obligation of the CCP Member who experiences Event of Default for itself which include the Minimum Cash Maintenance and/or the Default Fund components, then the CCP Member is declared experiencing Event of Default and it is unable to use financial resources from other parties.

II.13. In mitigating the failure to complete the Event of Default management using the default waterfall mechanism, KPEI implements a re-establishment of matched book mechanism and holds a call meeting for the CCP Clearing and Risk Management Committee as regulated in the Rule Book for Event of Default Management Provisions.

II.14. KPEI will publish the Report on the CCP Clearing Contract Rights and Obligations Settlement containing information on the status of fulfillment of settlement results for each DHK PUVA component which must be paid/received by the CCP Member on the said settlement day.

II.15. The CCP Member can withdraw settlement funds in its Settlement Account after the settlement process took place and the said book transfer can be made to the following accounts:

II.15.1 BI-RTGS Account belonging to the CCP Member.

II.15.2 Collateral Account belonging to the CCP Member and/or /its Customer, if it wishes to increase its Collateral amount.

Jakarta, 6 December 2024  
Translated by:

