



Kliring Penjaminan Efek Indonesia

**Central Counterparty in the Money Market
and Foreign Exchange**

IDClear Encourages Bank Participation to Mitigate Systemic Risks





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Following comprehensive preparations and coordination, and having secured the necessary business license from Bank Indonesia, IDClear has officially commenced its role as a Central Counterparty (CCP) for the Money Market and Foreign Exchange in Indonesia.



Central Counterparty in the Money Market and Foreign Exchange

IDClear Encourages Bank Participation to Mitigate Systemic Risks

On September 30, 2024, PT Kliring Penjaminan Efek Indonesia (IDClear) officially began its role as the Central Counterparty (CCP) for Indonesia's Money Market and Foreign Exchange. To mark this milestone, IDClear organized a socialization event on November 25, 2024, aimed at educating key market participants, including foreign exchange banks and associations, about the new infrastructure.

IDClear is committed to playing a proactive role in preventing systemic risks, particularly those resulting from transaction settlement failures in the financial markets.

In response to market demands for a secure, transparent, and standardized clearing and settlement mechanism, IDClear successfully commenced operations as the

Central Counterparty (CCP) for the Money Market and Foreign Exchange (PUVA) on September 30, 2024.

As of October 2024, IDClear had processed a total transaction value of US\$168 million (approximately Rp 2.67 trillion), with 118 completed transactions.

IDClear's role as CCP PUVA has proven to significantly enhance the efficiency of transaction settlements, with netting efficiency reaching 33%.

Currently, eight major banks have joined as CCP members, all of which are also shareholders: PT Bank Mandiri (Persero) Tbk, PT Bank Negara Indonesia (Persero) Tbk, PT Bank Rakyat Indonesia (Persero) Tbk, PT Bank Central Asia Tbk, PT Bank Permata Tbk, PT Bank Maybank Indonesia Tbk, PT Bank CIMB Niaga Tbk, and PT Bank Danamon Indonesia Tbk.

Moving forward, IDClear aims to keep encouraging banks' participation as CCP members to improve netting efficiency upon PUVA transactions, particularly targeting foreign exchange banks that are active in money and foreign exchange transactions.

"Bank Indonesia has instructed us to increase participation, especially from foreign exchange banks that frequently engage in Domestic Non-Deliverable Forward (DNDF) transactions," said Diah Sugiretno, Head of Membership Unit at IDClear.

To facilitate this, IDClear has outlined various initiatives, including focus group discussions (FGDs) and personalized one-on-one meetings with interested banks.

During our socialization event on November 25, 2024, we distributed interest forms regarding potential membership in the CCP PUVA, which we plan to follow up on in early 2025," she added.

Currently, IDClear's clearing services focus on DNDF transactions, a type of

editorial

Throughout 2024, IDClear has achieved several notable milestones in its sustainable efforts to enhance service quality, operational capacity, and efficiency.

One of the latest achievements is the recent launch of the Central Counterparty (CCP) for the Money Market and Foreign Exchange (PUVA), accompanied by the achievement of qualifying CCP status from Bank Indonesia. This recognition underscores that IDClear's frameworks, procedures, and mechanisms align with internationally accepted principles and standards.

The latest Headline of the Fourth Edition of IDClear News 2024 covers in-depth discussions on this new service and related outreach initiatives aimed at expanding membership participation.

This edition also highlights key preparations for the implementation of Financial Derivatives Services in a dedicated feature article.

Finally, the Editorial Team wishes readers to have an insightful and informative reading experience, hoping that IDClear News serves as a valuable resource for its audience.

Warm Regards,
Editorial Team



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foreign exchange derivative involving the rupiah. However, IDClear will expand its offerings beyond DNDF, with plans to introduce clearing services for Interbank Repo transactions, Interest Rate Swaps (IRS), and Overnight Index Swaps (OIS) in the near future.

IDClear's Head of Research and Project Management Division, Jerri Parulian confirmed that after receiving qualified CCP status from Bank Indonesia on September 30, 2024, the organization intends to expand its membership base and broaden its product offerings.

"Our roadmap includes the implementation of Triparty Agent Repo, IRS, OIS, and CCP Repo services," he explained.

As part of a broader multilateral cooperation, CCP PUVA is designed to reduce the complexity of interconnections between market participants and minimize systemic risks associated with transaction settlement failures.

The CCP PUVA is also expected to strengthen market confidence, improve liquidity, and stimulate more dynamic trading activity.

IDClear is committed to enhancing transparency, efficiency, and systemic risk mitigation in Indonesia's money market and foreign exchange. These efforts are expected to serve as a catalyst for the deepening of Indonesia's financial markets, ensuring they remain both secure and competitive in the global arena.

Jerri said IDClear is also actively engaging with foreign banks operating in Indonesia, encouraging them to understand and integrate with IDClear's services as CCP PUVA. This effort includes the pursuit of recognition as a "recognized CCP" from the foreign banks' home jurisdictions.

IDClear's Head of Membership & Market Development Division, Listyarini Hikmaningrum emphasized the importance of ongoing coordination with both Bank Indonesia and the Financial Services Authority (OJK), alongside ensuring that financial market participants are adequately prepared for regulatory shifts.

"A significant challenge lies in transitioning from the existing bilateral transaction model to the new, standardized CCP framework. This will necessitate a shift in the operational culture of the banking sector," she said.

The implementation of CCP PUVA offers banks a variety of advantages, including the reduction of counterparty credit risks, improvements in operational efficiency, more effective collateral management, and greater market transparency.

Additionally, the OJK has issued Circular Letter No. 17/SEOJK.03/2023, which outlines the margin requirements for Non-Centrally Cleared Derivatives (NCCD), as part of the global response to the 2007-2008 financial crisis.

These regulations emphasize the need for over-the-counter (OTC) derivatives to be cleared through a CCP, while also ensuring that transactions not cleared by a CCP are subject to sufficient margin requirements.

As part of its reform initiative, the G20 has advocated for OTC derivative transactions to be cleared through a Central Counterparty (CCP). Additionally, it underscores the necessity of establishing sufficient margin requirements for Non-Centrally Cleared Derivatives (NCCD) transactions to mitigate risks.

To implement this, a regulatory standard is essential for banks in Indonesia to set the foundation for margin requirements. One of the key developments in this area is the introduction of IDClear's CCP PUVA service, which addresses these needs.



IDClear's Strategic Initiatives to Enhance the Financial Derivatives Market

PT Kliring Penjaminan Efek Indonesia (IDClear) is advancing key initiatives to introduce financial derivatives services, marking a pivotal step in broadening product diversity, investor reach, and liquidity in Indonesia's capital markets.

This move follows the mandate outlined in the Financial Sector Development and Strengthening Law (UU P2SK), which shifts the regulatory authority for financial derivatives from the Commodity Futures Trading Regulatory Agency (Bappebti) to the Financial Services Authority (OJK). The implementation of this service is set for late 2024.

Head of IDClear's Debt Securities and Derivatives Unit Yusron Wahyudi said that the focus will be on futures contracts tied to foreign stock indices, including Japan's Nikkei 225 and Hong Kong's Hang Seng.

"We leverage the existing clearing infrastructure at IDClear, specifically the Exchange Derivative Clearing System (SKD), to guarantee seamless clearing and settlement operations," Yusron said.

Yusron highlighted that the use of rupiah for transaction settlements will serve as a significant advantage of the service. "Other than improving efficiency, rupiah adoption is expected to strengthen the domestic capital market's appeal, particularly for investors who have struggled with foreign currency constraints."

From a technical standpoint, IDClear is committed to ensuring the readiness of its Derivatives Clearing System which currently serves products traded on the Jakarta Futures Exchange (JFX). The system will be fine-tuned to address the demands of the capital market, prioritizing efficiency, transparency, and robust risk management.

Head of IDClear's Research and Business Development Unit, Jeffry Sumando outlined the gradual approach being taken for implementation.

"Derivatives previously regulated by Bappebti will be gradually transferred to Self-Regulatory Organizations (SROs) operating under OJK's jurisdiction, with initial priority given to instruments such as futures contracts tied to foreign stock indices," he explained.

Jeffry further highlighted that transitioning financial derivatives to SROs will allow investor identification via a single investor identification (SID) system, which significantly improves transparency and oversight.

"By implementing SID, monitoring transactions—whether individual or corporate—becomes more precise and efficient, fostering a safer and more accountable financial ecosystem," he said.

The derivatives platform aims not only to introduce fresh opportunities for investors but also to assist market participants in hedging their portfolios. This initiative is anticipated to enhance market liquidity and provide greater flexibility in managing investment risks.

Meanwhile, OJK is drafting a regulatory framework (POJK) that will underpin these financial derivatives services. The POJK is expected for release in the first quarter of 2025, aligning with the launch of financial derivative products in the capital market. "During this transitional phase, derivatives currently overseen by Bappebti will be given a grace period to facilitate their migration to OJK's purview. This will give market participants the necessary time to adapt to regulatory shifts and transition seamlessly to IDClear's financial derivatives clearing system," he explained.

EDUCATIONAL OUTREACH

Apart from infrastructure and regulatory advancements, IDClear also emphasizes on educating market participants. "We are collaborating with the Indonesia Stock Exchange (IDX) to enhance financial literacy regarding derivative products. This outreach is crucial to ensure that both retail and institutional investors gain a comprehensive understanding of the benefits and risks associated with derivatives," Yusron explained.

The educational initiatives will cover essential topics such as trading

mechanisms, margin management, and the advantages of derivatives as hedging instruments. "Our goal is to make these products accessible not only to major market players but also to retail investors aiming to diversify their portfolios," he elaborated.

The implementation of financial derivative services is expected to have a significant positive effect on liquidity within Indonesia's capital markets. Jeffry underscored that the new services will foster greater price transparency and transactional efficiency, encouraging greater participation from both domestic and international investors.

"The transparency and security embedded in IDClear's clearing infrastructure will enhance market confidence, ensuring our capital markets become increasingly competitive on a global scale," he remarked.

This move also reflects IDClear's broader effort to align with international capital market standards. By diversifying the range of instruments available, IDClear aims to attract a greater number of global investors to Indonesia's markets.

The launch of financial derivative services marks a critical milestone in the transformation of Indonesia's capital markets. Backed by a well-prepared infrastructure, supportive regulatory frameworks, and extensive educational outreach, this initiative is poised to deliver tangible improvements in market efficiency, transparency, and competitiveness.

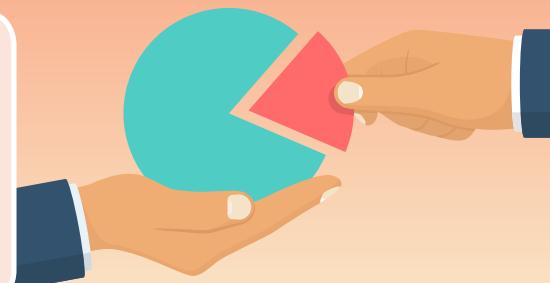
"We are confident that this move will take Indonesia's capital market to new heights, providing innovative tools and solutions to market participants for portfolio management," Yusron added.

Through a coordinated effort with OJK and other SROs, IDClear remains dedicated to establishing financial derivative services as a foundational pillar in fostering a modern, inclusive, and resilient capital market ecosystem.

EXCHANGE TRANSACTION

	Frequency (Times)	Volume (Shares)	Value (Rp)
Total 2024	246.497.680	4.316.309.262.827	2.785.556.001.194.640
Daily Average 2024	1.130.723	19.799.583.774	12.777.779.821.993

Data until 30 November 2024



EXCHANGE TRANSACTION SETTLEMENT

	Settlements		Efficiency	
	Volume (Shares)	Value (Rp)	Volume (%)	Value (%)
Total 2024	1.463.549.132.000	932.446.554.869.200	61,64	57,25
Daily Highest	15.289.028.600	15.055.518.814.900	73,45	65,21
Daily Average	6.713.528.128	4.277.277.774.629	61,19	57,21
Daily Lowest	4.265.198.300	2.643.119.106.200	46,96	50,72

Data until 30 November 2024

ALTERNATE CASH SETTLEMENT (ACS)

	ACS		Clearing Members (ACS)	
	Volume (Shares)	Value (Rp)	CM Deliver	CM Receive
Total	7.590.000	18.975.270.625	17	65
Highest	2.285.200	7.369.770.000	1	25
Average	446.471	1.116.192.390	1	4
Lowest	100	6.500	1	1

Data until 30 November 2024

INTRADAY FACILITY

Usage (Rp)	Fees Paid (Rp)	
271.764.184.565.874	Total	3.617.214.357
24.705.834.960.534	Monthly Average	328.837.668
1.246.624.699.843	Daily Average	16.592.726

Data until 30 November 2024



GUARANTEE FUND POSITION

Fixed Income	Value (Rp) 1.087.103
Equity	Value (Rp) 5.463.857.729.319
	Percentage 64,37%
Structured Warrant	Value (Rp) 331.265.400
	Percentage 0,00%
Derivative - Futures	Value (Rp) 601.927.953
	Percentage 0,01%
Return of investment from guarantee fund (all market)	Value (Rp) 3.023.312.554.902
	Percentage 35,62%
Total	Value (Rp) 8.488.104.564.677
	Percentage 100%

Data per 30 November 2024

GUARANTEE RESERVE POSITION

Guarantee Reserve	Value (Rp) 199.440.638.040
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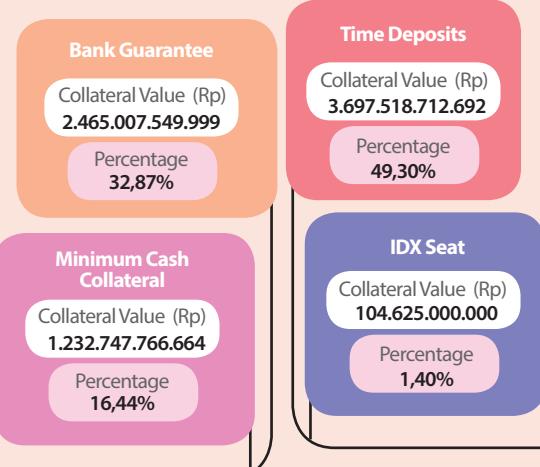
Data per 30 November 2024

SECURITIES BORROWING AND LENDING TRANSACTIONS

Total			Daily Average			Total			Daily Average					
	Value (Rp)	Volume (Shares)	Frequency (Times)	Value (Rp)	Volume (Shares)	Number of Days		Value (Rp)	Volume (Shares)	Frequency (Times)	Value (Rp)	Volume (Shares)	Number of Days	
January	4.945.835.300	841.500	11	159.543.074	27.145	31	July	1.737.239.500	382.400	14	56.039.984	12.335	31	
February	849.835.600	130.500	4	29.304.676	4.500	29	August	10.598.377.500	1.342.100	12	341.883.145	43.294	31	
March	598.145.000	150.900	6	19.295.000	4.868	31	September	9.179.097.500	2.109.000	39	305.969.917	70.300	30	
April	915.714.500	185.400	15	30.523.817	6.180	30	October	4.002.732.000	900.800	3	129.120.387	29.058	31	
May	879.922.000	163.500	11	28.384.581	5.274	31	November	2.628.549.000	625.800	5	87.618.300	20.860	30	
June	3.122.337.800	1.148.400	35	104.077.927	38.280	30	Total	39.457.785.700	7.980.300	155	117.784.434	23.821	335	

Data until 30 November 2024

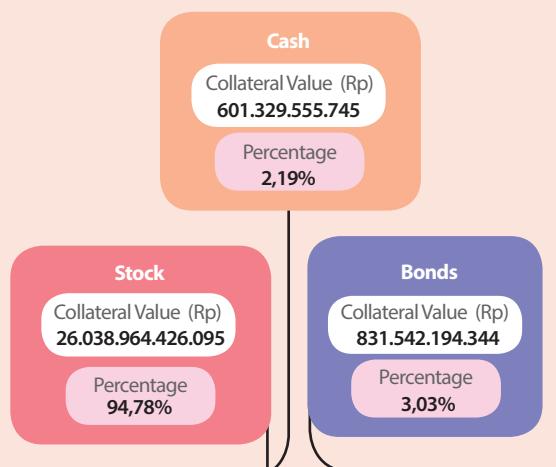
OFFLINE COLLATERAL COMPOSITION



Collateral Value (Rp) **7.499.899.029.356** Percentage **100%**

Data per 30 November 2024

ONLINE COLLATERAL COMPOSITION



Collateral Value (Rp) **27.471.836.176.185** Percentage **100%**

Data per 30 November 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
April	90.000.000.000	302.737.400
May	-	-
June	-	-
July	39.000.000.001	40.950.000.000
August	43.000.000.000	11.472.169.900
September	20.000.000.000	112.500.000
October	48.500.000.000	91.551.600
November	-	-
Total	441.321.223.425	64.710.001.800

Data until 30 September 2024

DERIVATIVE TRANSACTIONS

	Frequency (Times)	Volume (Contract)	Value (Rp)
LQ 45	0	0	0
IDX 30	0	0	0
SSF (ASII,BBCA, BBRI,MDKA,TLKM)	290	1.445	906.273.000
Single Stock Futures (Total)	290	1.445	906.273.000
Index Futures (Total)	0	0	0
Indonesia Government Bond Futures	0	0	0

Data until 30 November 2024

TRANSACTION DNDF

	Transaction	Notional Transaction New in USD	Notional Outstanding Net Position in USD
September	8	8.000.000	8.000.000
October	120	188.000.000	56.000.000
November	20	60.000.000	48.000.000

Data until 30 November 2024