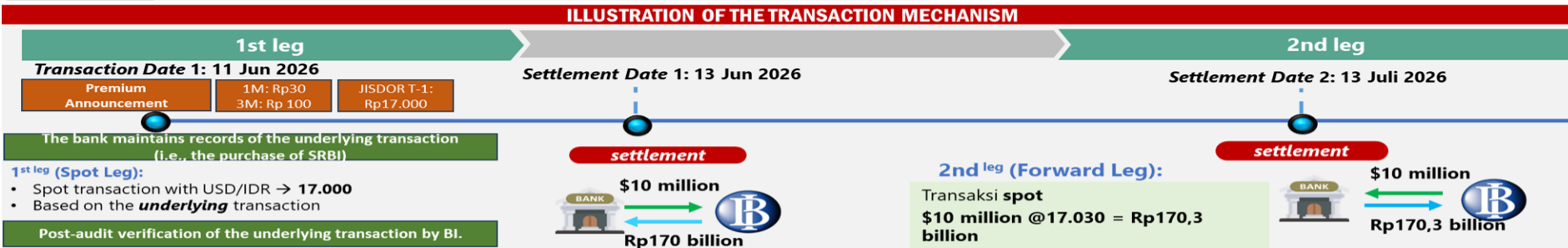


KEY FEATURES

“Hedging Swap Facilities with Bank Indonesia for Nonresident Investors to Support Portfolio Investment”

PRODUCT		PRICING	
Currency	US Dollar (USD)	1st leg FX Rate: JISDOR T-1 2nd leg FX Rate: 1 st leg FX Rate+ Premium	Premium: 10% incentive (discount) from the FX Swap Premium
Method	Non-auction (<i>Window-based</i>)		
Tenor	1 Month, 3 Month, 6 Month, 12 Month	PARTICIPANT	
Minimum Bid Size	USD 2,000,000, in multiples of USD 1,000,000	<ul style="list-style-type: none"> Conventional OM Participant shall have a bank soundness composite rating of at least 3, based on the assessment by OJK; and The bank shall not be subject to a temporary suspension imposed in connection with Monetary Operation 	
Underlying Requirements	<ul style="list-style-type: none"> The underlying transaction shall be owned by a non-resident (foreign) customer and shall be final in nature. The underlying transaction shall be in the form of portfolio investments in Bank Indonesia Rupiah Securities (SRBI), Government Securities (SBN), Corporate Bonds (including Asset-Backed Securities (ABS), and/or shares. The underlying transaction shall be evidenced by underlying transaction documents. The underlying document may consist of either a confirmation of securities purchase by a foreign investor or proof of ownership of the securities held by the foreign investor. Where the underlying document submitted at the time of the contract application is a securities purchase confirmation, the bank must subsequently maintain and keep records of the corresponding proof of ownership of the securities. The underlying document shall have a remaining maturity of at least 10 (ten) days prior to the maturity date of the hedging contract. 	INFRASTRUCTURE	
Transaction Mechanism	<ul style="list-style-type: none"> Each transaction shall be conducted under a single hedging contract. Each hedging contract shall be entered into in the basis of 1 (one) underlying document. The hedging swap transaction may be extended (rollover), in accordance with the remaining maturity of the hedging contract. Hedging swap transactions cannot be early terminated. 	Use of the trading platform designated by Bank Indonesia, namely LSEG AD.	
Transaction Approval	BI may reject a transaction submission, among other reasons, if any requirements relating to the participant transaction, and/or underlying transaction are not fulfilled.	TRANSACTION SCHEDULE*	
		Frequency	2 times a week: Wednesday, Friday
		Window Time:	14.00 – 15:00 WIB

* The schedule may be adjusted and will be communicated through the channels designated by BI.



The bank certifies that the FX swap hedging transaction with Bank Indonesia has fulfilled all requirements set forth in the provisions governing FX swap hedging transactions with Bank Indonesia.

FREQUENTLY ASKED QUESTIONS (FAQ)

Advancing Policy Measures to Reinforce Rupiah Exchange Rate Stability:

“FX Swap Hedging for Portfolio Investment”

1. **Q:** Can the relaxation of the underlying tenor accommodate nonresident transactions in securities (e.g., SRBI with a 1-year tenor issued at 359 days, while the Bank Indonesia hedging swap tenor is 367 days)?

A: To support the policy objective of attracting capital inflows through the FX Swap Hedging for Portfolio Investment (SIP) instrument while taking into account the issuance characteristics of the relevant instruments and the tenor of Bank Indonesia’s hedging swaps, **the underlying document for hedging swap transactions shall have a remaining maturity that expires no earlier than 10 (ten) days after the expiration of the hedging contract.**
2. **Q:** Are banks permitted to execute early termination of transactions with their customers?

A: Hedging swap transactions between Bank Indonesia and participating banks shall **not be eligible for early termination. Any early termination of underlying transactions between a bank and its customer shall be subject to the respective bank’s internal policies and risk management framework.**
3. **Q:** Is the incentivized hedging swap facility accessible to all foreign exchange banks?

A: The incentivized hedging swap facility shall be available to banks participating in Foreign Exchange Monetary Operations, provided that the bank:

 - i. maintain a Composite Bank Soundness Rating of at least 3 (three), as assessed by the Financial Services Authority (Otoritas Jasa Keuangan/OJK);
 - ii. shall not be subject to temporary suspension imposed in connection with Monetary Operations; and
 - iii. complies with all applicable transaction submission requirements, including conformity between contractual documentation and underlying transaction information. **Illustrative examples of contractual documentation and transaction submissions are provided in the relevant annex.**
4. **Q:** What tenor is permitted for the rollover of swap transactions, and can a hedging contract that has not been fully utilized be used for subsequent swap transactions?

A: Pursuant to the Board of Governors Regulation (PADG) No. 21 of 2025 concerning Foreign Exchange Monetary Operations, **the tenor for rollover transaction shall be no less than 1 (one) month and no greater than 12 (twelve) months.** A rollover transaction may be effected within the remaining validity period of the relevant hedging contract. At present, 1 (one) hedging swap transaction shall be supported by 1 (one) hedging contract. **Once a hedging contract has been utilized, any subsequent hedging swap transaction shall be based on a new hedging contract.**

5. **Q:** Can securities purchased prior to the swap transaction, for example, 3 (three) months earlier (but not yet matured), be used as the underlying for a hedging swap?
A: Yes, securities purchased prior to the submission of a hedging swap transaction may be utilized as the underlying transaction, provided that the securities satisfy the applicable minimum remaining maturity requirement **of 10 (ten) days prior to the expiry of the relevant hedging contract.**
6. **Q:** Can 1 (one) hedging contract utilize multiple underlying documents?
A: In accordance with the Board of Governors Regulation (PADG) No. 21 of 2025 concerning Foreign Exchange Monetary Operations, **1 (one) hedging contract may only be supported by 1 (one) underlying transaction document.**
7. **Q:** Can proof of portfolio investment ownership (portfolio statement) issued by an authorized party or custodian consist of multiple securities?
A: Proof of portfolio investment ownership may consist of multiple series of instruments within the same instrument category. The underlying document shall clearly identify the specific series of securities used as the underlying transaction, including the corresponding nominal amount and remaining maturity satisfying the prescribed requirements. Where the custodian is unable to issue ownership statements for each series of securities, the underlying documentation maintained by the bank shall be accompanied by a declaration issued by the bank identifying the securities series used as the underlying transaction.
8. **Q:** How should cases be addressed where the portfolio statement document used as the underlying document for the transaction does not specify its tenor (maturity)?
A: For securities (such as SRBI and other debt instruments), **the underlying document for hedging swap transactions shall be supported by maturity information,** confirming that such securities have identifiable remaining maturity in accordance with the prevailing provisions.
9. **Q:** Will the rollover of SIP swap transactions continue to receive incentives (for portfolio investment)?
A: The pricing incentive (premium) policy for the Portfolio Investment Hedging Swap (SIP) (based on the Weekly Board of Governors Meeting of 9 June 2026, which stipulates a 10% incentive on hedging swap premiums) applies to both initial transactions and their rollovers, for as long as the incentive policy remains in effect. Bank Indonesia may amend, suspend, or discontinue such incentive policy from time to time and shall communicate any such changes through the appropriate channels. The provision of incentives for rollover shall be aligned with the prevailing monetary policy stance of Bank Indonesia.
10. **Q:** If a nonresident (foreign) investor purchases securities of the same series, may the bank submit another swap transaction to Bank Indonesia?
A: Yes. The bank may submit another swap transaction to Bank Indonesia, provided that it can be demonstrated that the subsequent swap transaction

does not use any document that has previously been used as the underlying.

Shall transaction shall also satisfy all applicable requirements relating to the minimum nominal amount and minimum remaining tenor of the underlying transaction.

11. **Q:** Does the existing hedging swap regulation (PADG No. 21 of 2025) remain in effect and can banks continue to use it to hedge customer transactions?

A: Yes. The existing hedging swap regulation remains in effect and may continue to be used by banks to hedge customer transactions. Separately, Portfolio Investment Hedging Swap (SIP) transactions eligible for the incentive scheme must comply with the prescribed underlying transaction requirements. Currently, Portfolio Investment Hedging Swap (SIP) auctions are conducted twice a week, on Wednesdays and Fridays.

12. **Q:** Can the underlying document take the form of a securities purchase deal ticket?

A: The underlying document may take the form of either a confirmation of securities purchase by a foreign investor (e.g. a deal ticket) or evidence of ownership of the securities held by the foreign investor. Where the underlying document submitted upon the contract submission is a securities purchase confirmation, the bank shall subsequently maintain records evidencing ownership of such securities.

13. **Q:** Are there any sanctions if a bank receives the 10% incentive from Bank Indonesia but does not fully pass it on to its customers?

A: The implementation of the Portfolio Investment Hedging Swap (SIP) incentive shall be based on market mechanism. The premium, which incorporates the Portfolio Investment Hedging Swap (SIP) incentive, is published by Bank Indonesia on the official website prior to the transaction window and is publicly available. **Accordingly, investors may take into consideration more competitive premium offerings from banks.**

Bank Indonesia shall monitor the premium rates charged by participating banks to their customers. Such information may be taken into account by Bank Indonesia in assessing the banks' participation and performance under the Portfolio Investment Hedging Swap (SIP) facility

14. **Q:** Can a nonresident (foreign) customer who has utilized Bank Indonesia's hedging swap facility subsequently enter into other derivative instruments?

A: Any subsequent derivative transaction undertaken by a nonresident investor in the foreign exchange market after using Bank Indonesia's hedging swap facility shall remain **subject to the applicable Bank Indonesia regulations governing transactions in the foreign exchange market.**

15. **Q:** How is the nominal value of an underlying transaction denominated in IDR (e.g., Government Securities/SBN or SRBI) converted into the notional amount of a hedging swap contract in USD?

A: The conversion shall be made using the JISDOR exchange rate on T-1 (i.e., one business day prior to the submission date of the hedging swap transaction to Bank Indonesia).

16. **Q:** How is the remaining tenor of an underlying transaction calculated?

A: The remaining tenor of an underlying transaction shall be calculated from the value date of the hedging swap transaction with Bank Indonesia to the maturity date of the portfolio investment used as the underlying transaction.

Example:

A bank enters into a Hedging Swap Contract with Bank Indonesia for a tenor of **1 (one) year**, equivalent to **365 (three hundred sixty-five) days**, calculated from the settlement date or value date of the Hedging Swap Transaction with Bank Indonesia. If the underlying transaction document has a remaining tenor of:

a. **2 (two) years**, equivalent to **730 (seven hundred thirty) days**, calculated from the settlement date or value date of the Hedging Swap Transaction with Bank Indonesia, the document **may be used** as the underlying transaction;

b. **1 (one) year**, equivalent to **365 (three hundred sixty-five) days**, calculated from the settlement date or value date of the Hedging Swap Transaction with Bank Indonesia, the document **may be used** as the underlying transaction;

c. **1 (one) year**, equivalent to **355 (three hundred fifty-five) days**, calculated from the settlement date or value date of the Hedging Swap Transaction with Bank Indonesia, the document **may be used** as the underlying transaction; or

d. **1 (one) year**, equivalent to **354 (three hundred fifty-four) days**, calculated from the settlement date or value date of the Hedging Swap Transaction with Bank Indonesia, the document **may not be used** as the underlying transaction.

**ILLUSTRATIVE SUBMISSION OF HEDGING CONTRACTS AND HEDGING
SWAP TRANSACTIONS TO BANK INDONESIA**

BANK "ABC" HEREBY DECLARES THAT THE HEDGING SWAP TRANSACTION WITH BANK INDONESIA HAS FULFILLED ALL REQUIREMENTS AS STIPULATED UNDER THE PREVAILING PROVISIONS GOVERNING HEDGING SWAP TRANSACTIONS WITH BANK INDONESIA.

HEDGING CONTRACT

1. BANK NAME "ABC"
2. CONTRACT TENOR 1 YEAR (365 DAYS)
3. EFFECTIVE DATE OF THE HEDGING CONTRACT 12 JUNE 2026
4. UNDERLYING:
PORTFOLIO INVESTMENT IN GOVERNMENT SECURITIES (SUN) OF FOREIGN INVESTOR CLIENT PT "XYZ" CONDUCTED THROUGH BANK "ABC", WITH A REMAINING MATURITY OF 1 YEAR (360 DAYS) CALCULATED FROM THE SWAP VALUE DATE, DOCUMENT REFERENCE NO.: XYZ1234562022, WITH A NOMINAL VALUE OF IDR 200 BILLION
5. NOMINAL AMOUNT: USD 10 MILLION

HEDGING SWAP TRANSACTION WITH BANK INDONESIA

1. BANK NAME "ABC"
2. 1-YEAR HEDGING CONTRACT FOR PORTFOLIO INVESTMENT IN GOVERNMENT SECURITIES (SUN) OF FOREIGN INVESTOR CLIENT PT "XYZ" THROUGH BANK "ABC", WITH AN UNDERLYING REMAINING MATURITY OF 1 YEAR, DOCUMENT REFERENCE NO.: XYZ1234562022 NOMINAL AMOUNT USD 10 MILLION
3. TRANSACTION DATE 10 JUNE 2026
4. VALUE DATE 12 JUNE 2026
5. MATURITY DATE 13 JULY 2026
6. TRANSACTION TENOR 1 MONTH
7. TRANSACTION NOMINAL AMOUNT USD 10 MILLION
8. MY USD TO BK OF XXXX AC.ZZZZZZZZZZ CUID ABCDE
9. MY IDR THRU RTGS BI CODE XXXX ACC. YYY.YYY.YYY.YYY

ROLLOVER OF HEDGING SWAP TRANSACTION WITH BANK INDONESIA

1. REFERENCE NUMBER
2. BANK NAME "ABC"
3. HEDGING CONTRACT WITH A REMAINING TENOR OF 11 MONTHS FOR PORTFOLIO INVESTMENT IN GOVERNMENT SECURITIES (SUN) OF FOREIGN INVESTOR CLIENT PT "XYZ" THROUGH BANK "ABC", WITH AN UNDERLYING REMAINING MATURITY OF 11 MONTHS, DOCUMENT REFERENCE NUMBER XYZ1234562022
4. NOMINAL AMOUNT USD 10 MILLION
5. TRANSACTION DATE 10 JULY 2026
6. VALUE DATE 14 JULY 2026
7. MATURITY DATE 14 AUGUST 2026
8. TRANSACTION TENOR 1 MONTH
9. TRANSACTION NOMINAL AMOUNTN USD 9 MILLION
10. MY USD TO BK OF XXXX AC.ZZZZZZZZZZ CUID ABCDE
11. MY IDR THRU RTGS BI CODE XXXX ACC. YYY.YYY.YYY.YYY