

Frequently Asked Questions (FAQs)

on Bank Indonesia Regulation Number 10/13/PBI/2008 dated August 21, 2008,
concerning Government Securities Auction and Administration

1. Q. What are Bank Indonesia's activities as the auction agent of Government Securities (SBN) issuance auction in primary market?

A. As the auction agent, Bank Indonesia for and on behalf of the Government, among other things, shall :

- (1) announce SBN auction plan;
- (2) conduct SBN auction;
- (3) submit SBN bidding results to the Minister of Finance of the Republic of Indonesia; and
- (4) announce SBN auction results.

by BI-SSSS or other facilities stipulated by Bank Indonesia.

2. Q. Who does administer SBN and what are its activities?

A. Bank Indonesia administers SBN (either in primary market or secondary market) by :

- (1) registration of ownership, clearing, and settlement of SBN.
- (2) acting as the payment agent for interest (coupon)/yield and principal/nominal value of SBN

by BI-SSSS.

3. Q. How is the registration of SBN ownership conducted?

A. The registration of SBN ownership is conducted by book entry in BI-SSSS.

4. Q. What activities are covered in SBN transaction settlement?

A. Bank Indonesia conducts SBN transaction settlement either in primary market or secondary market. The SBN transaction settlement in secondary market includes :

- (1) settlement of SBN transactions between market participants and the Government through auction or non-auction which are conducted on settlement date as stipulated by the Minister of Finance of the Republic of Indonesia.

(2) Settlement of SBN transactions among market participants on settlement date

as agreed ...

as agreed by market participants in transaction.

5. Q. What is Bank Indonesia's authority in SBN settlement?

A. Bank Indonesia's authorities in SBN settlement are as follows.

- (1) To debit rupiah demand deposit account with Bank Indonesia of Bank for and on its own behalf or paying Bank for and on behalf of other parties.
- (2) To debit SBN account of the Government in BI-SSSS, Bank for and on its own behalf and Sub-Registry for and on behalf of other parties.

6. Q. What does Bank Indonesia do as the SBN payment agent?

A. As the SBN payment agent Bank Indonesia pays :

- (1) interest (coupon)/yield
- (2) SBN principal/nominal value on maturity date
- (3) SBN principal/nominal value before maturity date

as long as the balance of the rupiah demand deposit account of the Government with Bank Indonesia is adequate.

7. Q. What charges will be imposed by Bank Indonesia on the SBN auction and administration?

A. Bank Indonesia will impose charge for :

- (1) SBN auction on SBN Auction Participant; and
 - (2) SBN administration on SBN account holder with Bank Indonesia
- which amount refers to applicable provisions concerning BI-SSSS.

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