

REGULATION OF MEMBER OF BOARD OF GOVERNORS
NUMBER 24/11/PADG/2022
ON
DOMESTIC NON-DELIVERABLE FORWARD TRANSACTIONS

BY THE BLESSINGS OF ALMIGHTY GOD

MEMBER BOARD OF GOVERNORS OF BANK INDONESIA,

- Considering :
- a. that to boost a liquid, efficient, transparent and integrity money market, overall development of domestic foreign exchange market is necessary, by observing the prudential principle in transactions;
 - b. that development of domestic foreign exchange market needs to be supported by liquidity increase in foreign exchange market;
 - c. that to increase liquidity in foreign exchange market, enrichment of hedging instruments is necessary for rupiah exchange rate risk;
 - d. that based on the foregoing considerations as referred to in point a, point b, and point c, it is necessary to establish Regulation of Member of Board of Governors on Domestic Non-Deliverable Forward Transactions;

Observing : Bank Indonesia Regulation Number 24/7/PBI/2022 on Transactions in Foreign Exchange Market (State Gazette of the Republic of Indonesia of 2022 Number 3/BI, Supplement to State Gazette of the Republic of Indonesia Number 3/BI);

HAS DECIDED:

To enact : REGULATION OF MEMBER OF BOARD OF GOVERNORS ON DOMESTIC NON-DELIVERABLE FORWARD TRANSACTIONS.

CHAPTER I GENERAL PROVISIONS

Article 1

In this Regulation of Member of Board of Governors:

1. Bank means a commercial bank as referred to in Law on banking and a sharia commercial bank and sharia business unit as referred to in Law on sharia banking, including branch offices of a bank domiciled overseas excluding offices of a commercial bank and sharia commercial bank which are established under the law of Indonesia and operate overseas.
2. Resident means individuals, legal entities, or other entities domiciled in or planning to domicile in Indonesia at least for 1 (one) year, including diplomatic representatives and staff of the Republic of Indonesia overseas.
3. Non-Resident means individuals, legal entities, or other entities which are not domiciled in Indonesia or are domiciled in Indonesia for less than 1 (one) year, including diplomatic representatives and staff of other countries in Indonesia.
4. Domestic Non-Deliverable Forward Transaction, hereinafter referred to as DNDF Transaction, means forward transaction of foreign currency against rupiah which settlement calculates the difference between the reference rate and the agreed rate.
5. Foreign Exchange Market means part of money market related to transaction activities which involve exchange of

currencies of 2 (two) different countries, excluding exchange of banknotes administered by money changers.

6. Underlying Transaction means an activity on which a transaction of foreign currency against rupiah is based.

CHAPTER II

DOMESTIC NON-DELIVERABLE FORWARD TRANSACTIONS

Part One

Contract

Article 2

- (1) DNDF Transaction is made under a contract.
- (2) The contract used in a DNDF Transaction as referred to in paragraph (1) may be in the following forms:
 - a. The Indonesian Derivative Master Agreement;
 - b. standard contract issued by the relevant association;or
 - c. other contracts.
- (3) The contract as referred to in paragraph (2) must be supported by a written confirmation indicating the occurrence of a transaction.
- (4) The contract as referred to in paragraph (2) shall at least contain:
 - a. contract date;
 - b. name of transaction participants in Foreign Exchange Market; and
 - c. rights and obligations of transaction participants in Foreign Exchange Market.
- (5) The written confirmation as referred to in paragraph (3) shall at least contain:
 - a. transaction date and settlement date;
 - b. type of transaction;
 - c. type of currency; and
 - d. transaction nominal amount.
- (6) The Indonesian Derivative Master Agreement as referred to in paragraph (2) point a is specified in Annex I which

constitutes an integral part of this Regulation of Member of Board of Governors.

Part Two
Transaction Time

Article 3

- (1) DNDF Transactions between Banks are made within the window time of open market operations of Bank Indonesia as regulated in the Regulation of Member of Board of Governors on open market operation instruments.
- (2) Bank is prohibited from conducting any DNDF Transaction beyond the transaction window time determined by Bank Indonesia as referred to in paragraph (1).

CHAPTER III
UNDERLYING TRANSACTIONS

Part One
General

Article 4

- (1) Bank making a DNDF Transaction is required to ensure that any DNDF Transaction made in a nominal value above a threshold has an Underlying Transaction.
- (2) Any DNDF Transactions made between Banks are exempted from the obligation of Underlying Transaction fulfillment as referred to in paragraph (1).

Article 5

- Bank which makes a DNDF Transaction is required to ensure:
- a. the maximum nominal value of the DNDF Transaction is equal to the nominal value of the Underlying Transaction; and
 - b. the longest period of the DNDF Transaction is the same as the Underlying Transaction period.

Article 6

Type of currency used in a DNDF Transaction with the obligation of Underlying Transaction as referred to in Article 4 paragraph (1) is regulated under the following provisions:

- a. the currency is the same as the one specified in the Underlying Transaction document; or
- b. the currency is different from the one specified in the Underlying Transaction document if there is an accompanying document which may explain reasons for such difference.

Part Two

Threshold Amount

Article 7

The threshold amount for DNDF Transaction as referred to in Article 4 paragraph (1) is regulated under the following provisions:

- a. for purchase DNDF Transaction, USD100,000.00 (one hundred thousand US dollars) or its equivalent per month per transaction participant in Foreign Exchange Market; and
- b. for sale DNDF Transaction, USD5,000,000.00 (five million US dollars) or its equivalent per transaction.

Article 8

The monthly threshold as referred to in Article 7 point a is calculated from the first until the last date of the month.

Part Three

Types of Underlying Transactions

Article 9

- (1) The Underlying Transactions as referred to in Article 4 paragraph (1) consist of:
 - a. current account transactions;
 - b. financial account transactions;

- c. capital account transactions;
 - d. credit or financing from Bank to a Resident for trade and investment purposes;
 - e. domestic trade of goods and services; and
 - f. any other Underlying Transactions determined by Bank Indonesia.
- (2) the Underlying Transactions as referred to in paragraph (1) exclude:
- a. any securities issued by Bank Indonesia;
 - b. fund placement;
 - c. un-withdrawn credit or financing facilities; or
 - d. crypto assets.

Article 10

- (1) The current account transactions as referred to in Article 9 paragraph (1) point a include:
- a. export and import transaction of goods and/or services, from and to Indonesia;
 - b. primary revenue transaction; and
 - c. secondary revenue transaction.
- (2) The financial account transactions as referred to in Article 9 paragraph (1) point b include:
- a. direct investment;
 - b. portfolio investment; and
 - c. other investments.
- (3) The domestic trade of goods and services as referred to in Article 9 paragraph (1) point e means a transaction exempted from the obligation of using rupiah as referred to in the provisions of Bank Indonesia Regulation on the obligation of using rupiah within the territory of Republic of Indonesia.

Article 11

The DNDF Transactions as referred to in Article 4 may use any of the following Underlying Transactions:

- a. fund placement in rupiah by a Non-Resident; and

- b. deposit in foreign currency which has been placed at least for 1 (one) month, primarily for a sale DNDF Transaction.

Article 12

Nominal amount of an Underlying Transaction for DNDF Transaction may be rounded up in the closest multiples of USD10,000.00 (ten thousand US dollars).

CHAPTER IV PROHIBITIONS OF TRANSACTIONS

Article 13

Bank is prohibited from providing any overdraft, credit, and/or financing for any DNDF Transaction.

CHAPTER V TRANSACTION SETTLEMENTS

Article 14

DNDF Transaction settlement is made in Rupiah.

Article 15

- (1) DNDF Transaction may hold:
 - a. roll over; or
 - b. unwind.
- (2) An early termination may not apply to any DNDF Transaction.

CHAPTER VI TRANSACTION DOCUMENTS

Part One

Types of Underlying Transaction Documents DNDF Transaction

Article 16

- (1) The Underlying Transactions as referred to in Article 4

paragraph (1) are evidenced by:

- a. final Underlying Transaction documents; or
 - b. estimation Underlying Transaction.
- (2) The list of Underlying Transaction documents as referred to in paragraph (1) is specified in Annex II which constitutes an inseparable part of this Regulation of Member of Board of Governors.

Article 17

- (1) Any Bank making a DNDF Transaction is required to ensure that transaction participants in Foreign Exchange Market submit:
 - a. Underlying Transaction documents for each DNDF Transaction as referred to in Article 4 paragraph (1); and/or
 - b. transaction supporting documents.
- (2) Bank must ensure accuracy and fairness of Underlying Transaction documents submitted by transaction participants in Foreign Exchange Market.
- (3) In ensuring the accuracy and fairness as referred to in paragraph (2), Bank may:
 - a. request transaction participants in Foreign Exchange Market to show original documents;
 - b. request historical data at least for the previous 1 (one) year;
 - c. see the track record of transaction participants in Foreign Exchange Market; and/or
 - d. request additional documents where necessary.

Article 18

In the event that Underlying Transaction is a trade of goods and services within the country as referred to in Article 10 paragraph (3), Bank may request transaction participants in Foreign Exchange Market to submit a document in the form of copy of approval for exemption from the obligation of using rupiah from Bank Indonesia.

Article 19

Bank must ensure that:

- a. any document which has been used as an Underlying Transaction may be used for another transaction of foreign currency against rupiah on condition that it does not exceed the nominal amount of the Underlying Transaction; and
- b. in the event there are several types of Underlying Transaction documents in 1 (one) sequence of economic activities:
 1. only one of the Underlying Transaction documents will be used for foreign currency transaction against rupiah; and
 2. another Underlying Transaction document which comes from one sequence of the same economic activity will not be used for another foreign currency transaction against rupiah.

Part Two

Submission of Documents for Purchase DNDF Transactions in
a Maximum Threshold Amount

Article 20

- (1) Bank is required to ensure that transaction participants in Foreign Exchange Market which make DNDF Transactions in a maximum threshold amount submit a supporting document in the form of a written statement specifying that the purchase DNDF Transaction does not exceed the threshold amount per month per transaction participant in Foreign Exchange Market.
- (2) The supporting document for DNDF Transaction in a maximum threshold amount as referred to in paragraph (1) is submitted on the transaction date and at least once every month.
- (3) Example of the supporting document in the form of a written statement as referred to in paragraph (1) is specified in Annex III which constitutes an inseparable part

of this Regulation of Member of Board of Governors.

Part Three

Submission of Documents for DNDF Transaction Above the Threshold Amount

Article 21

- (1) Bank is required to ensure that transaction participants in Foreign Exchange Market which make DNDF Transaction above the threshold amount per month per transaction participant in Foreign Exchange Market submit the following documents:
 - a. Underlying Transaction documents, both final and estimation; and
 - b. supporting documents in the following forms:
 1. copy of identity document and/or copy of taxpayer identification number, for an individual; or
 2. copy of identity document of the competent party and copy of taxpayer identification number, for a legal entity; and
 - c. supporting document in the form of a written statement specifying:
 1. the accuracy of Underlying Transaction document as referred to in point a;
 2. Underlying Transaction documents are used for DNDF Transaction in a maximum nominal amount equal to the Underlying Transaction and with the longest term the same as the Underlying Transaction term;
 3. information on the use purpose, use date, and amount of required foreign currency, for a purchase DNDF Transaction with an Underlying Transaction on an anticipatory basis; and
 4. information on the source, date, and amount of received foreign currency, for a DNDF Transaction with an Underlying Transaction on

an anticipatory basis.

- (2) The Underlying Transaction documents and/or supporting documents as referred to in paragraph (1) are submitted:
 - a. not later than 14 (fourteen) business days after a transaction date; or
 - b. not later than the due date in the event that transaction has a term of less than 14 (fourteen) business days.
- (3) Example of the supporting document in the form of a written statement as referred to in paragraph (1) point c is specified in Annex IV which constitutes an integral part of this Regulation of Member of Board of Governors.

Article 22

- (1) Bank may request the supporting documents as referred to in Article 21 paragraph (1) point b and point c periodically in the event:
 - a. Underlying Transaction documents are final; and
 - b. Bank properly recognizes the track record of transaction participants in Foreign Exchange Market.
- (2) The periodic submission of supporting documents as referred to in paragraph (1) is conducted at least annually (in a calendar year).
- (3) The submission of supporting documents as referred to in paragraph (1) is conducted in the first transaction.

CHAPTER VII

REFERENCE RATES

Article 23

- (1) Bank must use Jakarta Interbank Spot Dollar Rate as a reference rate for DNDF Transaction in US dollars against rupiah.
- (2) Bank must use a non-USD/IDR reference rate appropriate for the transacted currency as a reference rate for a DNDF Transaction other than US dollars against rupiah.
- (3) The reference rate as referred to in paragraph (1) and

paragraph (2) is specified in a contract as referred to in Article 2 paragraph (2) and/or written confirmation as referred to in Article 2 paragraph (3).

CHAPTER VIII REPORTING

Article 24

- (1) Bank submits a report on DNDF Transactions through the reporting system of Bank Indonesia.
- (2) The reporting system determined by Bank Indonesia as referred to in paragraph (1) is implemented under Bank Indonesia Regulation on integrated commercial bank reporting.

CHAPTER IX SANCTION IMPOSITION MECHANISM

Article 25

- (1) Any Bank and/or any other party assigned to conduct an inspection, which breaches the provisions of Bank Indonesia Regulation on transactions in Foreign Exchange Market, is subject to an administrative sanction.
- (2) The administrative sanction as referred to in paragraph (1) takes the following forms:
 - a. written warning; and
 - b. payment obligation.

Article 26

In the event Bank Indonesia imposes an administrative sanction in the form of written warning as referred to in Article 25 paragraph (2) point a, the administrative sanction imposition will be submitted by letter to the imposed party.

Article 27

- (1) In the event Bank Indonesia imposes an administrative sanction in the form of payment obligation as referred to in

Article 25 paragraph (2) point b on Bank, Bank Indonesia will debit the Bank's rupiah giro account with Bank Indonesia.

- (2) The administrative sanction in the form of payment obligation is calculated under the following provisions:
- a. sanction in rupiah is calculated by using:
 1. Jakarta Interbank Spot Dollar Rate;
 2. non-USD/IDR reference rate; or
 3. any other exchange rate determined by Bank Indonesia on a transaction date;
 - b. the payment obligation as referred to in point a amounts to Rp10,000,000.00 (ten million rupiah) at the lowest and Rp1,000,000,000.00 (one billion rupiah) at the highest; and
 - c. the payment obligation amounts to 1% (one percent) of:
 1. the nominal amount of breached DNDF Transaction for every breach is the difference between such nominal amount and the threshold amount; and
 2. the nominal amount of overdrafts and credit and/or financing used for DNDF Transactions;

CHAPTER X CLOSING PROVISIONS

Article 28

This Regulation of Member of Board of Governors comes into force on the date of its enactment.

In order that every person may know hereof, it is ordered to place this Regulation of Member of Board of Governors by its placement in the Official Gazette of the Republic of Indonesia.

Issued in Jakarta
on 4 July 2022

MEMBER OF BOARD OF GOVERNORS,

DESTRY DAMAYANTI

ELUCIDATION
OF
REGULATION OF MEMBER OF BOARD OF GOVERNORS
NUMBER 24/11/PADG/2022
ON
DOMESTIC NON-DELIVERABLE FORWARD TRANSACTIONS

I. GENERAL

To perform the duty of Bank Indonesia to achieve and maintain rupiah stability, it is necessary to accelerate the achievement of a liquid, efficient, transparent and integrity money market, which may eventually support national economic activities.

A liquid, efficient, transparent and integrity money market may be achieved through comprehensive and holistic development of domestic foreign exchange market.

To support implementation of the domestic foreign exchange market development, Bank Indonesia has issues Bank Indonesia Regulation No. 24/7/PBI/2022 on Transactions in Foreign Exchange Market regulating the types of transactions which may be made in a domestic foreign exchange market, including DNDF Transaction.

DNDF Transaction as one of hedging alternatives for transaction participants in the foreign exchange market must be made by observing risk management and the principle of prudence, and therefore, it is necessary to have and implementing regulation on DNDF Transactions.

In connection therewith, it is necessary to enact Regulation of Member of Board of Governors on Domestic Non-Deliverable Forward Transactions regulating among others the use of contracts in transactions, underlying transactions, and transaction settlements.

II. ARTICLE BY ARTICLE

Article 1

Sufficiently clear.

Article 2

Paragraph (1)

Sufficiently clear.

Paragraph (2)

Point a

Indonesia Derivative Master Agreement may be supplemented with a margin requirement agreement.

Point b

Example of a standard contract among others is International Swaps and Derivatives Association Master Agreement which may be equipped with Credit Support Annex or margin requirement agreement.

Point c

Another contract example is foreign exchange agreement.

Paragraph (3)

The term “written confirmation” means information indicating occurrence of transactions, for example, dealing conversation or Society of Worldwide Interbank Financial Telecommunication *message*.

Paragraph (4)

Sufficiently clear.

Paragraph (5)

Sufficiently clear.

Paragraph (6)

Sufficiently clear.

Article 3

Sufficiently clear.

Article 4

Sufficiently clear.

Article 5

Point a

An Underlying Transaction may be used for more than 1 (one) DNDF Transaction and/or foreign currency transaction against rupiah on condition that the maximum total nominal amount of all transactions equals the nominal amount of the Underlying Transaction.

Point b

Sufficiently clear.

Article 6

Sufficiently clear.

Article 7

Sufficiently clear.

Article 8

Example:

On 28 May 2022, customer AM makes a purchase DNDF Transaction of USD100,000.00 (one hundred thousand US dollars) without any supporting Underlying Transaction. On 1 June 2022, customer AM makes another purchase DNDF Transaction of USD100,000.00 (one hundred thousand US dollars) without any supporting Underlying Transaction.

Article 9

Paragraph (1)

Point a

Sufficiently clear.

Point b

Sufficiently clear.

Point c

Activities of *capital account* among others include capital transfer.

Point d

Credit or financing from Bank to a Resident for trade and investment purposes includes issuance of securities in foreign currency.

Example:

Customer KLM obtains financing from Bank ABC of USD100,000,000.00 (one hundred million US dollars).

Therefore, customer KLM operates in Indonesia with revenue in rupiah and customer KLM intends to hedge the financing by making a DNDF Transaction.

Financing in foreign currency from Bank ABC may be used as an Underlying Transaction for the DNDF Transaction.

Point e

Sufficiently clear.

Point f

Sufficiently clear.

Paragraph (2)

Point a

Sufficiently clear.

Point b

Fund placements among others are in the form of savings, current account, term deposit, and *negotiable certificate of deposit*.

Point c

Sufficiently clear.

Point d

The term “crypto asset” means an intangible asset in the form of digital assets, including those using cryptography, *peer-to-peer network*, and distributed ledger.

Article 10

Paragraph (1)

Point a

Sufficiently clear.

Point b

Primary revenue transactions include among others:

- a. receipt and payment transactions of employee compensation; and
- b. investment revenue from direct investment, portfolio investment, and/or other investments.

Point c

Secondary revenue transactions include among others:

- a. receipt and payment in government sector; and
- b. receipt and payment in other sectors, including remittance and other similar transactions.

Paragraph (2)

Sufficiently clear.

Paragraph (3)

Sufficiently clear.

Article 11

Sufficiently clear.

Article 12

Example:

Company ABC has an obligation to pay an amount in a foreign currency to a vendor overseas of USD171,500.00 (one hundred seventy-one thousand and five hundred US dollars). The value of Underlying Transaction is rounded to USD180,000.00 (one hundred eighty thousand US dollars) making Company ABC able to make a DNDF Transaction of USD180,000.00 (one hundred eighty thousand US dollars).

Article 13

Example:

Customer N makes a purchase DNDF Transaction with Bank M of USD100,000.00 (one hundred thousand US dollars) for 3 (three) months at an agreed rate of USD/IDR 13,500.00.

When due, JISDOR is USD/IDR 14,000 so that customer N must transfer fund of Rp50,000,000.00 (fifty million rupiah) based on the calculation of USD100,000.00 (one hundred thousand US dollars) x {USD14,000.00 (fifteen thousand US dollars) – USD13,500.00 (thirteen thousand five hundred US dollars)}. Customer N does not have any fund in rupiah to fulfill its obligation. Therefore, Bank M is prohibited from extending any credit in rupiah to customer N which will be used to settle the DNDF Transaction.

Article 14

Sufficiently clear.

Article 15

Paragraph (1)

Sufficiently clear.

Paragraph (2)

The term “early termination” means an early termination which is not part of *close-out netting process*.

The term “*close-out netting*” means *early termination*, valuation, and *netting* of all transactions in financial market under a contract to generate a *single amount* which may be charged to the other party.

Article 16

Paragraph (1)

Point a

The term “final Underlying Transaction document” means a document showing the time and/or unchanging amount of revenue or foreign exchange requirements.

Point b

The term “estimation Underlying Transaction document” means a document showing the time and/or amount of revenue or foreign exchange requirements based on a rational calculation result.

Paragraph (2)

Sufficiently clear.

Article 17

Paragraph (1)

Sufficiently clear.

Paragraph (2)

The term “accuracy” among others includes:

- a. any document not contrary to the laws and regulations; and

- b. any document issued by a company or institution whose existence can be confirmed.

The term “fairness” among others includes:

- a. any document which meets the generally applicable market practice;
- b. any transaction performed according to an Underlying Transaction document; and
- c. any transaction performed according to historical data owned by Bank and/or according to the needs of transaction performers in Foreign Exchange Market.

Paragraph (3)

Sufficiently clear.

Article 18

Sufficiently clear.

Article 19

Sufficiently clear.

Article 20

Paragraph (1)

Written statement is among others in the following forms:

- a. duly duty-stamped written statement letter which is signed by:
 - 1. the relevant individual for an individual; or
 - 2. the competent party under the relevant company’s articles of association or a party authorized under a power of attorney by the official, for non-individual party;
- b. written statement in an electronic form which may be submitted by:
 - 1. official electronic mail;
 - 2. Society of Worldwide Interbank Financial Telecommunication *message*;
 - 3. bank’s electronic system; or
- c. negative confirmation.

Paragraph (2)

Example:

On 6 June 2022, customer KLM makes a purchase DNDF Transaction with Bank ABC of USD70,000.00 (seventy thousand US dollars) without any Underlying Transaction. Bank ABC requests customer KLM to submit a supporting document in the form of duly duty-stamped written statement letter.

On 13 June 2022, customer KLM makes another purchase DNDF Transaction with Bank ABC of USD10,000.00 (ten thousand US dollars) without any Underlying Transaction. For this transaction, it is not necessary for Bank ABC to request customer KLM to submit a supporting document in the form of duly duty-stamped written statement letter.

On 11 July 2022, customer KLM makes a purchase DNDF Transaction with Bank ABC of USD80,000.00 (eighty thousand US dollars) without any Underlying Transaction. Bank ABC must request customer KLM to submit a supporting document in the form of a new statement letter because the transaction is made in a different month.

Paragraph (3)

Sufficiently clear.

Article 21

Paragraph (1)

Point a

Sufficiently clear.

Point b

Sufficiently clear.

Point c

Written statement is among others in the following forms:

- a. duly duty-stamped written statement letter which is signed by:
 1. the relevant individual for an individual; or
 2. the competent party under the relevant company's articles of association or a party authorized under

- a power of attorney by the official, for non-individual party;
- b. written statement in an electronic form which may be submitted by:
 1. official electronic mail;
 2. Society of Worldwide Interbank Financial Telecommunication *message*;
 3. bank's electronic system; or
- c. negative confirmation.

Paragraph (2)

Sufficiently clear.

Paragraph (3)

Sufficiently clear.

Article 22

Paragraph (1)

Point a

Sufficiently clear.

Point b

Bank properly recognizes the track record of transaction performers in Foreign Exchange Market among others based on routine foreign currency transactions against rupiah from time to time.

Paragraph (2)

Example:

On 19 November 2022, customer A makes a purchase DNDF Transaction of foreign currency against rupiah of USD120,000.00 (one hundred twenty thousand US dollars). On that transaction, Bank X is required to ensure that customer A submits an Underlying Transaction document and supporting document.

Then, on 15 December 2022, customer A makes a purchase DNDF Transaction of foreign currency against rupiah with Bank X of USD150,000.00 (one hundred fifty thousand US dollars). On that purchase, Bank X is required to ensure that customer A submits Underlying Transaction documents without any supporting document.

Then, on 21 January 2023, customer A makes a purchase DNDF Transaction of foreign currency against rupiah with Bank X of USD130,000.00 (one hundred thirty thousand US dollars). On that transaction, Bank X is required to ensure that customer A submits an Underlying Transaction document and supporting document.

Paragraph (3)

Example:

On 5 January 2023, PT C makes a purchase DNDF Transaction of US dollar against rupiah with Bank X of USD150,000.00 (one hundred fifty thousand US dollars). On that purchase, Bank X is required to ensure that PT C submits an Underlying Transaction document and supporting document.

Then, on 20 February 2023, PT C makes a purchase DNDF Transaction of US dollar against rupiah with Bank X of USD110,000.00 (one hundred ten thousand US dollars). On that purchase, PT C must submit an Underlying Transaction document without any supporting document.

Article 23

Sufficiently clear.

Article 24

Sufficiently clear.

Article 25

Sufficiently clear.

Article 26

Sufficiently clear.

Article 27

Paragraph (1)

Sufficiently clear.

Paragraph (2)

Point a

Sufficiently clear.

Point b

Sufficiently clear.

Point c

Point 1

Example:

On 6 June 2022, customer KLM makes a purchase DNDF Transaction of USD80,000.00 (eighty thousand US dollars) without any Underlying Transaction.

On 13 June 2022, customer KLM makes a purchase DNDF Transaction of USD50,000.00 (fifty thousand US dollars) without any supporting Underlying Transaction.

There is a breach of threshold amount for a purchase DNDF Transaction of USD30,000.00 (thirty thousand US dollars).

On that breach, Bank is subject to an administrative sanction in the form of payment obligation.

The payment obligation sanction is calculated as follows:

- a. Jakarta Interbank Spot Dollar Rate on 13 June 2022 is USD/IDR14,000.00.
- b. $\text{payment obligation} = 1\% \text{ (one percent)} \times \text{USD}30,000.00 \text{ (thirty thousand US dollars)} \times \text{USD/IDR}14,000.00 \text{ (fourteen thousand rupiah per US dollar)} = \text{Rp}4,200,000.00 \text{ (four million two hundred thousand rupiah)}$.

With the requirement for minimum sanction amount of Rp10,000,000.00 (ten million rupiah), Bank is subject to an administrative sanction in the form of payment obligation of Rp10,000,000.00 (ten million rupiah).

Point 2

Example:

On 6 June 2022, Bank ABC extends credit of Rp1,000,000,000.00 (one billion rupiah) to customer KLM to finance a DNDF Transaction.

There is breach because of such credit extension for DNDF Transaction.

On that breach, Bank is subject to an administrative sanction in the form of payment obligation of Rp10,000,000.00 (ten million rupiah) with the following

calculation = 1% (one percent) x Rp1,000,000,000.00
(one billion rupiah) = Rp10,000,000.00 (ten million
rupiah).

Article 28

Sufficiently clear.