

REGULATION OF MEMBER OF BOARD OF GOVERNORS
NUMBER 15 OF 2024
ON
THE AMENDMENT TO REGULATION OF MEMBER OF BOARD OF
GOVERNORS NUMBER
23/16/PADG/2021 ON THE SETTLEMENT FOR BILATERAL TRANSACTIONS
BETWEEN INDONESIA AND
CHINA USING RUPIAH AND YUAN THROUGH BANK

BY THE BLESSINGS OF ALMIGHTY GOD

MEMBER OF BOARD OF GOVERNORS OF BANK INDONESIA,

- Considering :
- a. that in order to increase the utilization of rupiah and yuan in the settlement of bilateral transactions between Indonesia and China, it is necessary to make adjustments to the aspects of actors, aspects of price quotations, financial activities and financial transactions;
 - b. that Regulation of Member of Board of Governors Number 23/16/PADG/2021 on the Settlement for Bilateral Transactions between Indonesia and China Using Rupiah and Yuan through Bank needs to be adjusted;
 - c. that based on the considerations as referred to in point a and point b , it has been deemed necessary to establish Regulation of Member of Board of Governors on the Amendment to Regulation of Member of Board of Governors Number 23/16/PADG/2021 on the Settlement for Bilateral Transactions between Indonesia and China Using Rupiah and Yuan through Bank;

Observing : Regulation of Bank Indonesia Number 22/12/PBI/2020 on the Settlement for Bilateral Transactions Using Local Currency through Bank (State Gazette of the Republic of Indonesia of 2020 Number 198, Supplement to the State Gazette of the Republic of Indonesia Number 6550) as amended by Regulation of Bank Indonesia Number 23/9/PBI/2021 on the Amendment to Regulation of Bank Indonesia Number 22/12/PBI/2020 on the Settlement for Bilateral Transactions Using Local Currency through Bank (State Gazette of the Republic of Indonesia of 2021 Number 158, Supplement to the State Gazette of the Republic of Indonesia Number 6699);

HAS DECIDED:

To enact : REGULATION OF MEMBER OF BOARD OF GOVERNORS ON THE AMENDMENT TO REGULATION OF MEMBER OF BOARD OF GOVERNORS NUMBER 23/16/PADG/2021 ON THE SETTLEMENT FOR BILATERAL TRANSACTIONS BETWEEN INDONESIA AND CHINA USING RUPIAH AND YUAN THROUGH BANK.

Article I

Several provisions under Regulation of Member of Board of Governors Number 23/16/PADG/2021 on the Settlement for Bilateral Transactions between Indonesia and China Using Rupiah and Yuan through Bank have been amended as follows:

1. The provision of Point 2 of Article 1 has been amended, therefore it reads as follows:

Article 1

1. Bank means a bank which carries on business activities in a conventional manner and/or according to sharia principles which provides payment services, including a branch office of a bank domiciled overseas.
2. Settlement for Bilateral Transaction Using Rupiah and Yuan (Local Currency Settlement), hereinafter referred to as Rupiah and Yuan LCS, means settlement of bilateral transactions by entities in Indonesia and China by using rupiah and yuan, both onshore yuan and offshore yuan.
3. Bank Appointed to Implement Currency Transactions or Appointed Cross Currency Dealer Bank, hereinafter referred to as ACCD Bank, means an appointed bank to settle certain financial activities and transactions for the purpose of implementation of Rupiah and Yuan LCS.
4. Indonesian ACCD Bank means ACCD Bank in Indonesia.
5. Chinese ACCD Bank means ACCD Bank in China.
6. Rupiah Special Purpose Non-Resident Account, hereinafter referred to as Rupiah SNA, means a special account owned by China ACCD Bank denominated in rupiah opened in Indonesian ACCD Bank for the purpose of implementation of Rupiah and Yuan LCS.
7. Rupiah Sub-Special Purpose Non-Resident Account, hereinafter referred to as Rupiah Sub-SNA, means a special account owned by Chinese LCS customer denominated in rupiah opened in a Chinese ACCD Bank for the purpose of implementation of Rupiah and Yuan LCS.
8. Yuan Special Purpose Non-Resident Account, hereinafter referred to as Yuan SNA, means a special account owned by Indonesian ACCD Bank

denominated in yuan opened in Chinese ACCD Bank for the purpose of implementation of Rupiah and Yuan LCS.

9. Yuan Sub-Special Purpose Non-Resident Account, hereinafter referred to as Yuan Sub-SNA, means a special account owned by Indonesian LCS customer denominated in yuan opened in Indonesian ACCD Bank for the purpose of implementation of Rupiah and Yuan LCS.
 10. Underlying Transaction means all economic activities that underlie Rupiah and Yuan LCS implementation.
 11. Financing means financing provided by ACCD Bank to LCS customer in Indonesia.
 12. Indonesian LCS Customer means a party who conducts Underlying Transaction with Chinese LCS customer.
 13. Chinese LCS Customer means a party who conducts Underlying Transaction with Indonesian LCS Customer.
 14. Financial Transaction means a transaction in yuan or foreign currency against rupiah.
 15. Corporate Action means merger, consolidation, spin off and/or integration.
 16. Day means a business day.
2. The provision of Article 2 has been amended, therefore it reads as follows:

Article 2

- (1) The appointment of a Bank as Indonesian ACCD Bank by Bank Indonesia shall be conducted by considering:
 - a. size;
 - b. interconnectedness; and
 - c. complexity.
 - (2) In addition to considering the criteria as referred to in section (1) in the appointment of Indonesian ACCD Bank, Bank Indonesia shall also consider:
 - a. role in supporting the development of money market and foreign exchange market and/or payment system industry;
 - b. recommendation from the Chinese authorities; and/or
 - c. other considerations determined by Bank Indonesia in conjunction with the People's Bank of China.
3. Between section (1) and section (2) of Article 4, 1 (one) section has been inserted namely section (1a), therefore it reads as follows:

Article 4

- (1) Indonesian ACCD Bank shall receive a request for the opening of a Rupiah SNA from a Chinese ACCD Bank.
- (1a) The opening of Rupiah SNA as referred to in section (1) shall be conducted by:

- a. opening of a new Rupiah SNA account in an Indonesian ACCD Bank; or
 - b. appointing an account that has been owned by Chinese ACCD Bank in Indonesian ACCD Bank.
 - (2) Indonesian ACCD Bank may only open 1 (one) Rupiah SNA for each Chinese ACCD Bank.
 - (3) Indonesian ACCD Bank may grant interest or profit sharing for Rupiah SNA.
4. Between section (1) and section (2) of Article 7, 1 (one) section has been inserted , namely section (1a) and the elucidation of section (3) has been amended as set out in the elucidation, therefore Article 7 reads as follows:

Article 7

- (1) Indonesian ACCD Bank shall receive a request for the opening of Yuan Sub-SNA from an Indonesian LCS Customer.
 - (1a) The opening of Yuan Sub-SNA as referred to in section (1) shall be conducted by:
 - a. opening a new Yuan Sub-SNA account in an Indonesian ACCD Bank; or
 - b. appointing an account that has been owned by an Indonesian Customer in an Indonesian ACCD Bank to become a Yuan Sub-SNA.
 - (2) The Yuan Sub-SNA as referred to in section (1) is limited to Indonesian LCS Customers.
 - (3) Indonesian ACCD Bank may grant interest or profit sharing for Yuan Sub-SNA.
5. Between section (1) and section (2) of Article 9, 1 (one) section has been inserted, namely section (1a), therefore it reads as follows:

Article 9

- (1) Indonesian ACCD Bank may open Yuan SNA in Chinese ACCD Bank
 - (1a) The opening of Yuan SNA as referred to in section (1) shall be conducted by:
 - a. opening a new SNA Yuan account in a Chinese ACCD Bank; or
 - b. appointing an account that has been owned by Indonesian ACCD Bank in a Chinese ACCD Bank.
 - (2) Indonesian ACCD Bank may only open 1 (one) Yuan SNA in each Chinese ACCD Bank (one-to-many relationship).
6. Article 13 has been amended, therefore it reads as follows:

Article 13

Indonesian ACCD Bank and/or Chinese ACCD Bank that transfer funds to rupiah accounts owned by non- Chinese ACCD Bank in Indonesia must ensure that the rupiah transfer is carried out in accordance with the objectives of

transaction for the implementation of Rupiah and Yuan LCS.

7. The provision of section (1) of Article 22 has been amended and between section (1) and section (2) of Article 22, 1 (one) section has been inserted, namely paragraph (1a), therefore Article 22 reads as follows:

Article 22

- (1) The transaction in yuan against rupiah as referred to in Article 21 section (1) in nominal amount higher than a certain amount (threshold) per transaction is required to be proven by Underlying Transaction documents.
 - (1a) The certain amount (threshold) as referred to in section (1) for:
 - a. yuan purchase transaction against rupiah is an amount equivalent to USD500,000.00 (five hundred thousand United States dollars) per transaction; and
 - b. yuan sales transactions against rupiah shall be implemented in accordance with the provisions of Bank Indonesia on foreign exchange market transactions.
 - (2) Transactions aimed at reducing yuan exposure resulting from transactions with Chinese ACCD Bank (passive position) shall be exempted from the Underlying Transaction obligation.
 - (3) Underlying Transactions as referred to in section (1) may be denominated in other than yuan or rupiah.
 - (4) The transaction in yuan against rupiah in the form of spot as referred to in Article 21 section (1) point a must be proven by final Underlying Transaction documents.
 - (5) The transactions in yuan against rupiah other than spot transactions as referred to in Article 21 section (1) point a must be proven by final Underlying Transaction documents or anticipatory basis Underlying Transaction documents.
 - (6) The Underlying Transaction documents as referred to in section (1) shall be received by Indonesian ACCD Bank no later than the settlement date.
8. The provision of section (1) of Article 30 has been amended and between section (1) and section (2) of Article 30, 1 (one) section has been inserted, namely section (1a), therefore Article 30 reads as follows:

Article 30

- (1) Indonesian ACCD Bank is required to issue and display the direct quotation of yuan against rupiah in an information-providing facilities.
- (1a) Direct quotation in yuan against rupiah is issued and displayed in an information provider at least once a Day.

- (2) The direct quotation of yuan against rupiah as referred to in section (1) shall:
 - a. reflect the fair price in the foreign currency market; and
 - b. be transactable or executable.
 - (3) Indonesian ACCD Bank uses the direct quotation as referred to in section (1) as a reference in conducting transactions in yuan against rupiah.
9. Between section (1) and section (2) of Article 31, 1 (one) section has been inserted, namely section (1a), therefore it reads as follows:

Article 31

- (1) Bank Indonesia may evaluate the Indonesian ACCD Bank.
 - (1a) The evaluation of Indonesian ACCD Bank as referred to in section (1) may be conducted by Bank Indonesia in coordination with:
 - a. authorities in China; and/or
 - b. other relevant authorities in Indonesia.
 - (2) The evaluation as referred to in section (1) shall be carried out by considering the business development of Indonesian ACCD Bank for the purpose of the implementation of Rupiah and Yuan LCS as well as the compliance of Indonesian ACCD Bank with the provisions of Bank Indonesia on the settlement of bilateral transactions using local currency through bank.
10. The provision of section (1) of Article 33 has been amended, therefore Article 33 reads as follows:

Article 33

- (1) Indonesian ACCD Bank which:
 - a. is in the process of business license revocation as referred to in Article 32 section (2) point b ; or
 - b. plans to execute a Corporate Action as referred to in Article 32 section (2) pont c,
 is required to submit a notification letter to Bank Indonesia along with the result of general meeting of shareholders in relation to the planned business license revocation or Corporate Action.
- (2) Indonesian ACCD Bank shall submit a decree relating to the business license revocation or Corporate Action to Bank Indonesia in the event that it has obtained a license, approval or recommendation from the authority in relation to:
 - a. having its business license revoked by the authorized authority;
 - b. executing a Corporate Action; or
 - c. conducting self-liquidation.
- (3) Example of the written notification letter as referred to in section (1) is specified in Annex IV which constitutes an integral part of this Regulation of Member of Board of Governors.

11. The provision of section (2) point b of Article 35 has been amended, therefore it reads as follows:

Article 35

- (1) Bank Indonesia shall notify in writing the termination of appointment of Bank as Indonesian ACCD Bank to Indonesian ACCD Bank based on the considerations as referred to in Article 32 section (2).
- (2) Bank, which has been terminated as an Indonesian ACCD Bank, must immediately notify its customers of:
 - a. termination of its appointment as Indonesian ACCD Bank; and
 - b. mechanism of settlement of customer's rights and obligations in relation to:
 1. closing of Rupiah SNA, Yuan SNA, and/or Yuan Sub-SNA;
 2. settlement of Financing; and
 3. other matters relating to Bank transactions with Indonesian LCS Customers for the purpose of implementation of Rupiah and Yuan LCS.
- (3) Bank, which has been terminated as Indonesian ACCD Bank, may not conduct any financial activities and Financial Transactions for the purpose of implementation of Rupiah and Yuan LCS, except for transactions relating to the mechanism of settlement of customers' rights and obligations as referred to in section (2) point b.

12. The provisions of section (1) and section (4) of Article 43 have been amended, therefore Article 43 reads as follows:

Article 43

- (1) Correspondence relating to the appointment of Indonesian ACCD Bank, the implementation of Rupiah and Yuan LCS, and the termination of Indonesian ACCD Bank shall be submitted to:
Department of International Affairs and Department of Financial Market Development
Bank Indonesia
MH. Thamrin Street Number 2
Central Jakarta – 10350
Electronic mail: DInt-HI3@bi.go.id and DPPK-KPVA@bi.go.id.
- (2) The mailing or correspondence addresses relating to reporting shall be submitted to:
Department of Report Management and Compliance
Bank Indonesia
MH. Thamrin Street Number 2
Central Jakarta – 10350
Electronic mail: laporan_accd@bi.go.id
- (3) Reports and/or report corrections shall be submitted offline in the event that the online reporting system is not yet available.

- (4) Online reporting shall comply with provisions of Bank Indonesia on reporting.
- (5) In the event that there is a change of correspondence address as referred to in section (1) and section (2), Bank Indonesia shall inform such a change of address through letter and/or other media.

Article II

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

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

Issued in Jakarta
on 10 October 2024
MEMBER OF BOARD OF
GOVERNORS,

Signed.

DESTRY DAMAYANTI

ELUCIDATION OF
REGULATION OF MEMBER OF BOARD OF GOVERNORS
NUMBER 15 OF 2024
ON
THE AMENDMENT TO REGULATION OF MEMBER OF
BOARD OF GOVERNORS NUMBER
23/16/PADG/2021 ON THE SETTLEMENT FOR BILATERAL
TRANSACTIONS BETWEEN INDONESIA AND
CHINA USING RUPIAH AND YUAN THROUGH BANK

I. GENERAL

Bank Indonesia and the People's Bank of China have agreed to promote the use of rupiah and yuan in order to improve the bilateral transaction settlements of rupiah and yuan between Indonesia and China, therefore it is expected that the implementation of cooperation between Bank Indonesia and the People's Bank of China will be well-organized and fruitful. Furthermore, in order to encourage the implementation of such agreement, it has been deemed necessary to increase flexibility and efficiency in its implementation. This increase in flexibility and efficiency will be carried out in the form of improvements to the criteria for ACCD Banks, adjustments to the account opening mechanism in relation to bilateral transactions of rupiah and yuan, determination of thresholds, as well as adjustments to direct quotations.

Based on those matters, it has been deemed necessary for Bank Indonesia to establish Regulation of Member of Board of Governors on the Amendment to Regulation of Member of Board of Governors Number 23/16/PADG/2021 on the Settlement for Bilateral Transactions between Indonesia and China Using Rupiah and Yuan through Bank.

II. ARTICLE BY ARTICLE

Article I

Point 1

Article 1

Sufficiently clear.

Point 2

Article 2

Section (1)

Point a

Sufficiently clear

Point b

Sufficiently clear.

Point c

The general criteria of complexity shall include substitutability.

Section (2)

Sufficiently clear.

Point 3

Article 4

Section (1)

Sufficiently clear.

Section (1a)

Sufficiently clear.

Section (2)

Example :

Indonesian ACCD Bank named AAA may open 1 (one) Rupiah SNA for Chinese ACCD Bank named QQQ and 1 (one) Rupiah SNA for Chinese ACCD Bank named YYY.

Section (3)

The granting of interest or profit sharing for Rupiah SNA shall be conducted in accordance with the policy of Indonesian ACCD Bank.

Point 4

Article 7

Section (1)

Sufficiently clear.

Section (1a)

Sufficiently clear.

Section (2)

Sufficiently clear.

Section (3)

The granting of interest or profit sharing for Yuan Sub-SNA shall be conducted based on the policy of Indonesian ACCD Bank.

Point 5

Article 9

Section (1)

Sufficiently clear.

Section (1a)

Sufficiently clear.

Section (2)

Example:

Indonesian ACCD Bank named AAA may open 1 (one) Yuan SNA account in Chinese ACCD Bank named QQQ and 1 (one) Yuan SNA account in Chinese ACCD Bank named YYY.

Point 6
 Article 13
 Sufficiently clear.

Point 7
 Article 22
 Section (1)
 Sufficiently clear.

Section (1a)

Point a

Certain amount (threshold) with amount equivalent to USD 500,000 (five hundred thousand United States dollars) per transaction shall also apply for transfers of rupiah and yuan.

Example :

Bank B which is a non-Indonesian ACCD Bank, for the interest of importer A who is an Indonesian Customer who will make a payment for the purchase of goods to exporters in China, shall carry out the purchase of CNH/IDR through spot transactions amounting to CNH500,000.00 (five hundred thousand yuan) or equivalent to USD71,240.00 (seventy-one thousand two hundred and forty United States dollars) to Bank C, which is an Indonesian ACCD Bank. The purchase of such CNH/IDR by Bank B does not need to be proven with Underlying Transaction documents from importer A.

Point b

Sufficiently clear.

Section (2)

Sufficiently clear.

Section (3)

Sufficiently clear.

Section (4)

Example :

Indonesian ACCD Bank conducts spot transaction of CNY/IDR with Indonesian LCS Customer.

Indonesian LCS Customer must submit final Underlying Transaction documents such as letter of credit or invoice relating to trade or investment transaction between Indonesia and China.

Section (5)

Example :

Indonesian ACCD Bank conducts forward transaction of CNY/IDR with Indonesian LCS Customer.

Indonesian LCS Customer must submit anticipatory basis Underlying Transaction documents such as cash flow projection which shows the estimated revenue or payment needs.

Section (6)

Example :

On 1 August 2021, Indonesian ACCD Bank conducts forward transaction of CNY/IDR with a period of 1 (one) year with Indonesian LCS Customer for tenor of 1 (one) year for import purpose from China.

Indonesian LCS customer may submit Underlying Transaction documents until the settlement date, which is 1 August 2022.

Point 8

Article 30

Section (1)

The term of “direct quotation of yuan against rupiah” mean :

- a. spot quotation; and
- b. forward quotation, in the event that required.

The term of "information-providing facilities" means facilities provided by:

- a. China Foreign Exchange Trading System (CFETS) for onshore yuan;
- b. Refinitiv and/or Bloomberg for onshore yuan and offshore yuan; and
- c. other facilities may accessible to the public.

Section (1a)

Sufficiently clear.

Section (2)

Sufficiently clear.

Section (3)

Sufficiently clear.

Point 9

Article 31

Section (1)

Sufficiently clear.

Section (1a)

Sufficiently clear.

Section (2)

Considerations on the business development of Indonesian ACCD Bank for the purpose of the implementation of Rupiah and Yuan LCS as well as the compliance of Indonesian ACCD Bank with the provisions of Bank Indonesia on Rupiah and Yuan LCS are, among others, obtained based on the supervision results conducted by Bank Indonesia and/or the coordination results between Bank Indonesia and other relevant authorities.

Point 10

Article 33

Sufficiently clear.

Point 11

Article 35

Sufficiently clear.

Point 12

Article 43

Section (1)

Sufficiently clear.

Section (2)

Sufficiently clear.

Section (3)

Sufficiently clear.

Section (4)

The provisions of Bank Indonesia on reporting shall include, among others, the provisions of Bank Indonesia on integrated commercial bank reports and the provisions of Bank Indonesia on foreign-exchange traffic reports.

Section (5)

Sufficiently clear.

Article II

Sufficiently clear.

