BANK INDONESIA
BANK SENTRAL REPUBLIK INDONESIA

Appendix of Press Release No. 28/142/DKom

Provision of Incentives to Increase Foreign Capital Inflows and Expand Local Currency Transactions (LCT) through the Integration of Foreign Exchange Market Deepening Policy and Monetary Operations

Incentives are provided through monetary operation (MO) instruments to increase foreign capital inflows, namely the Bank Indonesia Portfolio Investment Hedging Sell Swap and Bank Indonesia Portfolio Investment Hedging Sell DNDF instruments. The incentives include a 12.5% reduction in premiums for Bank Indonesia Portfolio Investment Hedging Sell Swap transactions and a 15% reduction in premiums for Bank Indonesia Portfolio Investment Hedging Sell DNDF transactions. The incentives are also intended to deepen the money market and foreign exchange market (PUVA), while increasing the supply of foreign exchange in the domestic market, thereby supporting Rupiah exchange rate stability.

The portfolio investment schemes using the Bank Indonesia Portfolio Investment Hedging Sell Swap and Bank Indonesia Portfolio Investment Hedging Sell DNDF instruments are as follows:

No	Portfolio Investment Scheme	Explanation
1	BI Portfolio Investment Hedging Sell Swap Instrument Financial Asset Markets; Non-Resident Investors; Securities	• Bank Indonesia opens an FX Hedging Sell Swap window. • Bank Indonesia receives a premium from the bank, with a 12.5% incentive under which Bank Indonesia receives a lower premium from the bank.

		• Currency: USD/IDR. • Underlying: portfolio investment-related transactions.
2	BI Portfolio Investment Hedging Sell DNDF Instrument Financial Asset Markets; Non-Resident Investors; Securities	• Bank Indonesia opens a Hedging Sell DNDF window. • Bank Indonesia receives a premium from the bank, with a 15% incentive under which Bank Indonesia receives a lower premium from the bank. • Currency: USD/IDR. • Underlying: portfolio investment-related transactions.

Incentives are also provided through monetary operation instruments to increase Local Currency Transactions (LCT) with partner countries, namely the Bank Indonesia Hedging Buy Swap and Bank Indonesia Hedging Sell DNDF instruments. The incentives include a 10% increase in premiums for Bank Indonesia Hedging Buy Swap transactions and a 10% reduction in premiums for Bank Indonesia Hedging Sell DNDF transactions. These incentives are also intended to deepen the money market and foreign exchange market (PUVA). In addition, greater use of local currencies in cross-border transactions is expected to strengthen national macroeconomic stability significantly, while mitigating the exchange rate volatility arising from global developments.

The LCT schemes using the Bank Indonesia Hedging Buy Swap and Bank Indonesia Hedging Sell DNDF instruments are as follows:

No	Local Currency Transaction (LCT) Scheme	Explanation
1	Bank Indonesia Hedging Buy Swap Instrument Foreign Exporter; Indonesian Importer; Foreign Exchange Market; ACCD	• Bank Indonesia opens an FX Hedging Buy Swap window. • Bank Indonesia pays a premium to the ACCD, with a 10% incentive under which Bank Indonesia pays a higher premium to the ACCD. • Currency: Non-USD/IDR. • Underlying: trade and investment LCT.
2	Bank Indonesia Hedging Sell DNDF Instrument Foreign Exporter; Indonesian Importer; Foreign Exchange Market	• Bank Indonesia opens a Hedging Sell DNDF window. • Bank Indonesia receives a premium from the ACCD, with a 10% incentive under which Bank Indonesia receives a lower premium from the ACCD. • Currency: Non-USD/IDR. • Underlying: trade and investment LCT.

Notes:

ACCD: Appointed Cross Currency Dealer

DPB: Domestic Partner Bank

VASTRA: Foreign Exchange Market Transactions for Hedging through Partner Banks

BANK INDONESIA
BANK SENTRAL REPUBLIK INDONESIA

Implementation Timeline for Hedging Swaps and Hedging DNDF for LCT and Portfolio Investment

Local Currency Transactions (LCT)

23rd July 2026: CNY Hedging Buy Swap.

August 2026: Hedging Sell DNDF in CNH, CNY, MYR and JPY.

September 2026: Hedging Buy Swap in JPY and MYR.

2027: Hedging Sell DNDF and Hedging Buy Swap in KRW, THB and AED.

Portfolio Investment

USD Hedging Buy Swap; Already implemented

30th July 2026: USD Hedging Sell DNDF.

VASTRA Hedging Sell DNDF; Synchronised with VASTRA