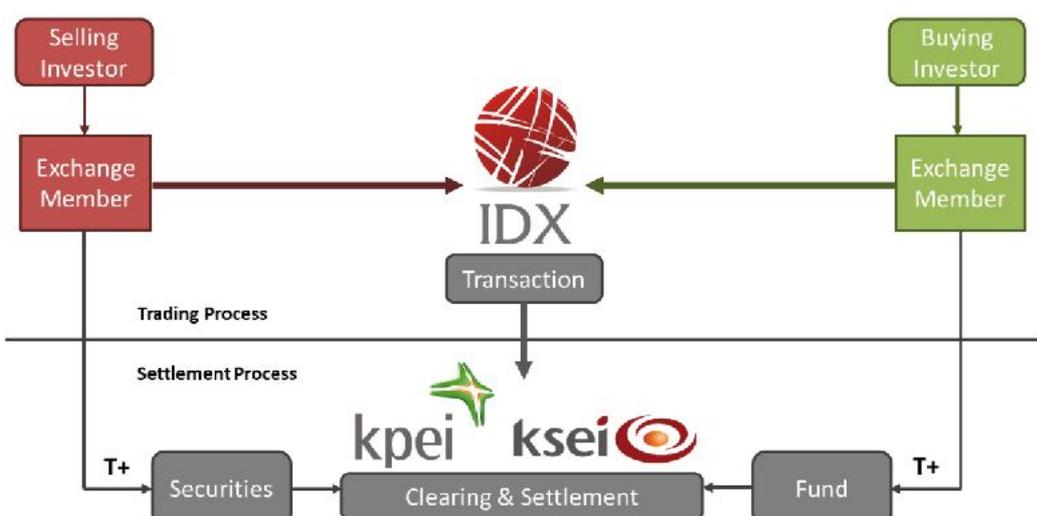
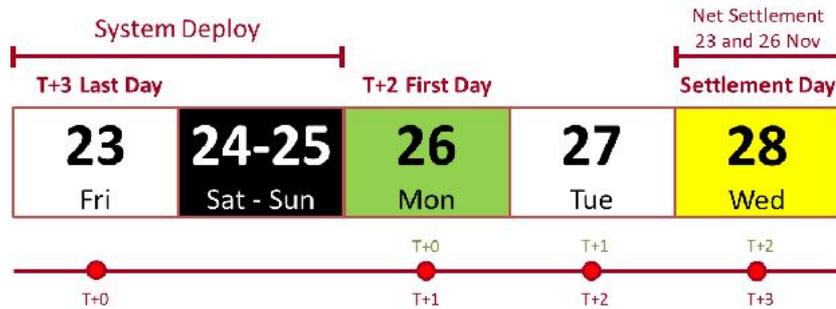


No.	Frequently Asked Questions								
1.	Q	What is the Settlement Cycle?							
	A	Settlement cycle is the period of time between the transaction date until the transaction is settled. After the transaction executed, the transaction must be settled in a way that the seller deliver the purchased security and the buyer make payment on this period, often referred to as T plus settlement cycle (T+).							
2.	Q	How transaction settled in Indonesia Stock Exchange?							
	A	<p>Indonesia Stock Exchange Settlement Cycle can be illustrated as follows :</p>  <p>Currently, Settlement Cycle at Indonesia Stock Exchange differ from each of Market Board as follows :</p> <table border="1" data-bbox="383 1478 1340 1769"> <thead> <tr> <th>Market</th> <th>Settlement Cycle</th> </tr> </thead> <tbody> <tr> <td>Regular</td> <td>On the 3rd Exchange Day after the occurrence of the Exchange Transaction (T+3)</td> </tr> <tr> <td>Cash</td> <td>On the same Exchange Day after the occurrence of the Exchange Transaction (T+0)</td> </tr> <tr> <td>Negotiation</td> <td>Based on the agreement between seller and buyer</td> </tr> </tbody> </table>	Market	Settlement Cycle	Regular	On the 3 rd Exchange Day after the occurrence of the Exchange Transaction (T+3)	Cash	On the same Exchange Day after the occurrence of the Exchange Transaction (T+0)	Negotiation
Market	Settlement Cycle								
Regular	On the 3 rd Exchange Day after the occurrence of the Exchange Transaction (T+3)								
Cash	On the same Exchange Day after the occurrence of the Exchange Transaction (T+0)								
Negotiation	Based on the agreement between seller and buyer								
3.	Q	What is T+2?							
	A								

		<i>T+2 Settlement Cycle (T+2) denote that the seller must deliver the purchased security and the buyer must make payment on the 2nd Exchange Day after the occurrence of the Exchange Transaction.</i>
4.	Q	<i>Why T+2?</i>
	A	<i>As technological developments have enabled more rapid communications and practices improvement adopted by various Stock Exchange globally, one of the recommendations for Capital Market Development is to shorten settlement cycle. Currently, various European, Asian, and American Stock Exchanges have gradually begun to reduce their settlement cycle from T+3 to T+2. Therefore, in order to implement Global Best Practices, Indonesia Stock Exchange has been considered to reduce its own settlement cycle to meet international standards.</i>
5.	Q	<i>What benefits are expected from T+2?</i>
	A	<ol style="list-style-type: none"> <i>1. Settlement process efficiency T+2 encourages market player to streamlines their settlement process, and lower operational cost in the long run</i> <i>2. Aligning with leading global settlement practices Most of Global Exchanges from European, Asian, and American Market gradually begun to reduce their settlement cycle to T+2.</i> <i>3. Enhance liquidity in the Market With shorter settlement cycle, securities that investor purchased can be resold in less time.</i> <i>4. Enabling capital to be freed up faster for reinvestment With shorter settlement cycle, Seller will also receive funds one day sooner, realize gains faster, and it also make investor easier to switch investment to other securities.</i> <i>5. Reduction of counterparty and market risks The longer the settlement time, the greater the risk that both parties exposed. Shortening Settlement Cycle also will help to mitigate market risk and reduce risk exposure between transacting parties and the Clearing House itself.</i>
6.	Q	<i>Will Indonesia Stock Exchange shorten it settlement cycle to T+2 as well?</i>
	A	<i>Yes, T+2 will be implemented at Indonesia Stock Exchange on Monday, 26 November 2018 with details as follows :</i>



Q

How is settlement cycle for each market Board at Indonesia Stock Exchange after T+2 implemented?

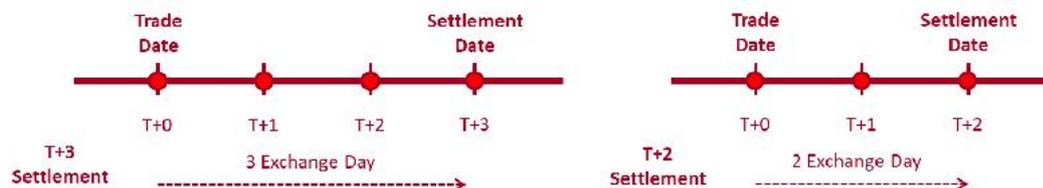
Change in Settlement Cycle for each market as follows:

Market	Existing Settlement Cycle	T+2 Settlement Cycle
Regular	T+3	T+2
Cash	T+0	T+0
Negotiation	By Negotiation, default T+3	By Negotiation, default T+2

7.

A

Regular Market Settlement as follows :



8.

Q

How will the business process from transaction to settlement become after T+2 implemented?

A

Seq	Process	Side	T+0	T+1	T+2
1	Order Entry & Execution for RG Market	Client, AB	08:45 - 16:15		
2	Order Entry & Execution for TN Market	Client, AB	09:00 - 12:00		
3	Order Entry & Execution for NG Market	Client, AB	09:00 - 16:15		
4	Trading ID Correction for RG Market	AB, BEI	08:45 - 16:20		
5	Trading ID Correction for TN Market	AB, BEI	09:00 - 12:05		
6	Trading ID and Transaction Correction for NG	AB, BEI	09:00 - 16:20		
7	Exchange Transaction Data Delivery	BEI, AB		16:20 - 17:30	
8	Clearing Result Delivery for RG and NG Market	KPEI, AK		16:20 - 19:30	
9	Clearing Result Delivery for TN Market	KPEI, AK	12:45		
10	Trade Confirmation Delivery to Client	AB, Client		23:59	
11	Allocation, Confirmation, Affirmation	Client, BK, AB		23:59	12:15
12	Pre Matching, Post Trade Process	AB, BK, KSEI		23:59	12:15
13	SLB Request to KPEI	AB, KPEI	09:00 - 12:15 and 16:00 - 17:00	17:00	11:30
14	Bank Intraday Facility	AB, Bank			12:15
15	Obligation of Delivery RG Market (KPEI)	AB, KPEI			12:15
16	Obligation of Delivery TN Market (KPEI)	AB, KPEI	12:00 - 13:00		
17	Book Entry Exchange Settlement	AB, KPEI, KSEI			06:00 - 13:30

To avoid any potential settlement failure on settlement date specifically for Institutional Clients, we encourage Custodian Bank and Exchange Member to resolve pre settlement matching process no later than T+1.

9.	Q	How will T+2 impact your transactions?
	A	<p>1. Double settlement on first T+2 settlement date:</p> <p>2. Market participants on T+2 will now have one less day to complete the pre-settlement matching process compared to prior settlement cycle.</p> <p>3. Securities lending and borrowing request for settlement purpose should be submitted on T+1 to ensure availability of securities that can be borrowed.</p>

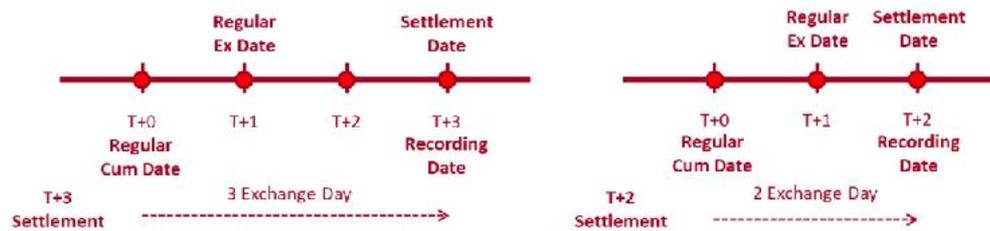
10	Q	How many/much shares or funds should I deliver on first T+2 settlement if I trade on the last day of T+3 and the first day of T+2?
	A	

The transaction on last day of T+3 and first day of T+2 will be netted by KPEI as following illustration :



Q How will T+2 impact on Corporate Action Entitlement?

Change in Cum and Ex Date in Regular Market of Corporate Action are as follows :



Q What about the agreement that has been made between the Securities Company and the Clients?

Both Securities Company and Client is required to review and make adjustments on their contractual documents and existing agreements including, but not limited to, Opening Account documents, rights / obligations to receive funds and / or securities at the Trade Confirmation / Invoice, and Forced Sell / Buy in Margin and / or Shortsell facilities. Securities Company must inform any change of agreement to every of its Client by any means.

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Q I have further questions related to T + 2

A	<p>You can send the question to :</p> <p>Trading Reporting and Operational Evaluation Unit, pelaporanevaluasi.opp@idx.co.id for questions about exchange transaction</p> <p>Equity Unit, unit.eku@kpei.co.id for questions about clearing and obligation of delivery</p> <p>Transaction Settlement Unit, pt@ksei.co.id for questions about settlement</p> <p>Not sure which one? Send it to all of the emails.</p>
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