

Jakarta, 29 June 2015

ANNOUNCEMENT

Re: Central Bank amendment on Regulation related to Foreign Exchange Transaction against Rupiah

Dear Valued Client,

Concerning new issuance of Bank Indonesia Regulation No. 17/6/PBI/2015 dated 29 May 2015 and Circular No. 17/15/DPM dated 1 June 2015 regarding Foreign Currency Transaction against Rupiah with Domestic Client and BI Regulation No. 17/7/PBI/2015 dated 29 May 2015 and BI Circular No. 17/16/DPM dated 1 June 2015 regarding Foreign Currency Transaction against Rupiah with Foreign Party, please be advised that Bank Indonesia has issued additional provisions to harmonise all the prevailing stipulations re Obligation of Using Rupiah in Indonesia Territory. The regulations and circulars have take effect commencing **12 June 2015**.

Kindly be informed on the following major provisions as stipulated on the regulations and circulars:

- IDR invoice issued by foreign/offshore exporter is valid as an underlying document as long as payment instruction is made in foreign currency as per the invoice or agreement and the beneficiary of the payment is the offshore exporter or other foreign party assigned by the exporter. Conversion rate shall refer to settlement/ payment/remittance date.
- Validity of invoice is 12 (twelve) months after issuance date or refer to the due date. Should the foreign currency transaction date is exceeding 12 (twelve) months or invoice maturity date, MT103 and Statement Letter stating that the invoice has not been settled is required. For the purpose of fulfilment on MT 103 requirement, Client is to attach transfer form (TT/RTGS) related to the overdue Invoice payment when executing transaction in Branch.
- Invoice in foreign currency for domestic settlement is valid as underlying for FX transaction if supported by contract/agreement which signed before 1 July 2015
- Non-foreign party definition which previously limited to ASEAN Secretary, World Bank and ADB, currently is expanded to Non-Profit Organizations (NPOs).
- Minimum tenor of 1 (one) week for FX derivative transaction with Foreign Party is revoked.
- Should Foreign Party plans to purchase securities, the valid underlying is SWIFT message, tested telex, tested fax or RMDS and followed by submission of proof of securities settlement has been increased to maximum of 3 (three) working days, from the previous 2 (two) working days of IDR holding period beyond the settlement date of the securities.

Should you need further clarifications, please contact your Relationship Manager.

Thank you for your kind attention.

Warmest regards,
Standard Chartered Bank Indonesia