



MINISTER OF FINANCE
OF THE REPUBLIC OF INDONESIA

COPY OF

REGULATION OF THE MINISTER OF FINANCE OF THE REPUBLIC OF
INDONESIA NUMBER 126/PMK.08/2011

CONCERNING

SECOND AMENDMENT ON THE REGULATION OF THE MINISTER OF
FINANCE NUMBER 170/PMK.08/2008 CONCERNING DIRECT
TRANSACTION OF STATE DEBT INSTRUMENTS

BY THE GRACE OF GOD ALMIGHTY

THE MINISTER OF FINANCE,

- Considering : a. that in effort to stabilize the State Debt Instruments market through direct transaction of State Debt Instruments and to optimize the management of surplus and deficit in Government, it is deemed necessary to amend some of provisions in the Regulation of the Minister of Finance No. 170/PMK.08/2008 concerning Direct Transaction of State Debt Instruments as has been amended with Regulation of the Minister of Finance No. 92/PMK.08/2010;
- b. that based on the consideration as referred to in item a, there is a need to stipulate the Regulation of the Minister of Finance concerning the Second Amendment on the Regulation of the Minister of Finance Number 170/PMK.08/2008 concerning Direct Transaction of State Debt Instruments;
- In View of : 1. Act Number 24 Year 2002 concerning State Debt Instruments (State Gazette of the Republic of Indonesia Year 2002 Number 110, Supplement to State Gazette of the Republic of Indonesia Number 4236);
2. Government Regulation Number 39 Year 2007 concerning State/Regional Monetary Management;
3. Presidential Decree Number 56/P Year 2010;
4. Ministerial Regulation of Finance Number 170/PMK.08/2008 concerning Direct Transaction of State Debt Instruments as has been amended with Regulation of the Minister of Finance Number 92/PMK.08/2010;



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5. Ministerial Regulation of Finance Number 03/PMK.05/2010 concerning Surplus/Deficit Management in Government Treasury;
6. Ministerial Regulation of Finance Number 175/KMK.08/2011 concerning the Coordinating Mechanism of State Financial Papers Purchase in Effort to Stabilize the State Financial Papers Market in Ministry of Finance Environment;

DECIDES:

To stipulate : REGULATION OF THE MINISTER OF FINANCE CONCERNING THE SECOND AMENDMENT ON THE REGULATION OF THE MINISTER OF FINANCE NUMBER 170/PMK.08/2008 CONCERNING DIRECT TRANSACTION OF STATE DEBT INSTRUMENTS.

Article I

Several provisions in the Regulation of the Minister of Finance Number 170/PMK.08/2008 concerning Direct Transaction of State Debt Instruments as has been amended with Regulation of the Minister of Finance No. 92/PMK.08/2010 are amended as follows:

1. The provisions of Article 1 point 5, point 6 and point 10 item c and item d are amended that Article 1 reads as follows:

Article 1

In this Regulation of the Minister of Finance, the term:

1. State Debt Instrument is financial paper in the form of acknowledgement of indebtedness as referred to in Act Number 24 Year 2002 concerning State Debt Instruments, consisting of State Treasury Paper and State Bond.
2. State Treasury Paper is State Debt Instrument with period up to 12 (twelve) months with discounted payment.
3. State Bond is State Debt Instrument with period more than 12 (twelve) months with coupon and/or discounted payment.
4. State Benchmark-Series Debt Instrument is State Debt Instrument as reference for quotation



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obligation fulfillment from Primary Dealer.

5. Direct Transaction of State Debt Instruments is the disposal of State Debt Instruments in the Primary Market, the disposal of State Debt Instruments in the Secondary Market or the purchase of State Debt Instruments in the Secondary Market, performed directly by the Government and Primary Dealer, Bank Indonesia, or Deposit Guaranty Institution through Dealing Room facilities on the Directorate General of Debt Management.
6. State Debt Instruments Purchase in Secondary Market is the Purchase of State Debt Instruments in Secondary Market by the Government by cash before the due date.
7. Dealing Room is a room where Direct Transaction of State Debt Instruments is made, equipped with communication, recording and other supporting devices.
8. Primary Dealer is a Bank or an Investment Company appointed by the Minister of Finance as the Main Dealer as referred to in Ministerial Regulation of Finance regulating Main Dealer System.
9. Party is an individual, or a group of people and/or well organized property either legal entity or non-legal entity, Bank Indonesia, or Deposit Guaranty Institution.
10. Settlement Price is:
 - a. the price that must be paid by the Main Dealer, or Deposit Guaranty Institution to the Government on the Direct Transaction of State Debt Instruments as agreed (clean price) by considering the accrued interest, in terms of State Debt Instruments purchase by coupon;
 - b. the price paid by the Main Dealer, Bank Indonesia, or Deposit Guaranty Institution to the Government on the Direct Transaction of State Debt Instruments as agreed (clean price), in terms of State Debt Instruments purchase by discounted interest payment;
 - c. the price paid by the Government to the Main



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- Dealer, Bank Indonesia, or Deposit Guaranty Institution on the Direct Transaction of State Debt Instruments as agreed (clean price) by considering the accrued interest, in terms of State Debt Instruments purchase by coupon; or
- d. the price paid by the Government to the Main Dealer, Bank Indonesia, or Deposit Guaranty Institution on the Direct Transaction of State Debt Instruments as agreed (clean price), in terms of State Debt Instruments purchase by discounted interest payment;
11. Settlement is the settlement of Direct Transaction of State Debt Instruments consisting of fund settlement and State Debt Instruments ownership settlement.
12. Less-Liquid Series of State Debt Instruments is the Series of State Debt Instruments in trade portfolio and the average daily trade volume of the series of State Debt Instruments is low than the average volume of daily trade of Benchmark-Series State Debt Instruments.
13. Business Day is the days Bank Indonesia administers the operational payment system.
14. Risk Committee is the committee formed based on the Decree of Directorate General of Debt Management.
2. The provision of Article 3 is added with 1 (one) item, that is item d, that Article 3 reads as follows:

Article 3

Direct Transaction of State Debt Instruments is made on the following purpose:

- a. in effort to stabilize the State Debt Instruments market;
- b. to make the management of State Debt Instruments portfolio;
- c. to meet the need to achieve the net sum of State Debt Instrument in the current State Budget;
- d. to make the surplus or deficit management in Government Treasury.
3. The provisions of Article 4 paragraph (1) and paragraph (2) are amended and is added with 1 (one) item, that is



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paragraph (3), that Article 4 reads as follows:

Article 4

- (1) Direct Transaction of State Debt Instruments for the purposes as referred to in Article 3 item a and item d is made through State Debt Instruments Purchase in the Secondary Market.
 - (2) Direct Transaction of State Debt Instruments for the purpose as referred to in Article 3 item c is made through State Debt Instruments Disposal in the Primary Market and State Debt Instruments Purchase in the Secondary Market.
 - (3) Direct Transaction of State Debt Instruments for the purpose as referred to in Article 3 item d is made through State Debt Instruments Purchase in the Secondary Market and State Debt Instruments Disposal in the Secondary Market.
4. The provision of Article 5 is amended that Article 5 reads as follows:

Article 5

- (1) Direct Transaction of State Debt Instruments for the purpose as referred to in Article 3 item a is made in the event there is an indication of significant yield decrease/ increase on benchmark-series State Debt Instruments.
 - (2) Direct Transaction of State Debt Instruments as referred to in paragraph (1) can be made by:
 - a. the Directorate General of State Management directly; or
 - b. the Directorate General of State Management on the request of the Directorate General of Treasury or Government Main Investment in terms of assignment by the Minister of Finance in order to purchase State Debt Instruments in secondary market in effort of stabilize the State Debt Instruments market.
5. The provisions of Article 6 paragraph (1) and paragraph (2) are amended that Article 6 reads as follows:

Article 6



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- (1) The quantity of price reduction or yield increase as referred to in article 5 paragraph (1) is determined by the Director General of the Debt Management after considering input by the Risk Committee.
 - (2) The quantity of rice reduction or yield increase as referred to in paragraph (1) is reported by the Directorate General of Debt Management to the Minister of Finance.
6. Between Article 8 and Article 9, there is inserted 1 (one) Article, that is Article 8A that reads as follows:

Article 8A

Direct Transaction of State Debt Instruments for the purpose as referred to in Article 3 item d is made in the event there is request by the Directorate General of Treasury.

7. The provision of Article 12 item a is amended, that Article 12 reads as follows:

Article 12

The Director General of Debt Management for and on behalf of the Minister of Finance signs:

- a. addendum of terms and conditions of State Debt Instruments as the yield of Direct Transaction of State Debt Instruments; and/or
 - b. letter to Bank Indonesia, as administration agency and paying agency of the interest and primary State Debt Instruments, concerning the yield of Direct Transaction of State Debt Instruments.
8. The provision of Article 13 paragraph (1) is amended and paragraph (2) item c is removed, that Article 13 reads as follows:

Article 13

- (1) The yield of Direct Transaction of State Debt Instruments is a legal transaction and binding the Government and Primary Dealer, Bank Indonesia, or Deposit Guaranty Institution.
- (2) The yield of Direct Transaction of State Debt Instruments as referred to in paragraph (1) is announced to the public on the date of implementation of the Direct Transaction of State Debt Instruments, that includes at least:



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- a. Nominal Value; and
- b. State Debt Instruments Series.

9. The provision of Article 14 is amended an, that Article 14 reads as follows:

Article 14

- (1) State Debt Instruments purchased by the Government through Direct Transaction of State Debt Instruments is:
 - a. for the purpose as referred to in Article 3 item a that is made by the Directorate General of Debt Management directly as referred to in Article 5 paragraph (2) item a; or
 - b. the purpose as referred to in Article 3 item b or item c, declared paid up and no longer valid.
 - (2) The State Debt Instruments declared paid up and no langer valid as referred to in paragraph (1) is announced to the public.
10. Between Article 14 and Article 15, there is inserted 1 (one) Article, that is Article 14A, that reads as follows:

Article 14A

- (1) Transaction settlement is made by the Directorate General of Debt Management, in the event the State Debt Instruments transaction is made for the purpose as referred to in:
 - a. Article 3 item a that is made by the Directorate General of Debt Management directly as referred to in Article 5 paragraph (2) item a; or
 - b. Article 3 item b and item c.
- (2) Transaction settlement is made by the Directorate General of Debt Management or Government Main Investment, in the event the State Debt Instruments transaction is made for the purpose as referred to in Article 3 item a that is made by the Directorate General of Debt Management on the request of the Directorate General of Treasury or Government Main Investment as referred to in Article 5 paragraph (2) item b.
- (3) Transaction settlement is made by the Directorate General of Treasury, in the event the State Debt



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Instruments transaction is made for the purpose as referred to in Article 3 item d.

Article II

This Regulation of the Minister of Finance shall come into force on the date of its promulgation.

For public cognizance, this Regulation of the Minister of Finance shall be promulgated by placing it in State Gazette of the Republic of Indonesia.

Stipulated in Jakarta
on August 15, 2011
MINISTER OF FINANCE
Signed,
AGUS D.W. MARTOWARDOJO

Promulgated in Jakarta
On August 15, 2011
MINISTER OF LAW AND HUMAN RIGHTS
Signed
PATRIALIS AKBAR

STATE GAZETTE OF THE REPUBLIC OF INDONESIA YEAR 2011 NUMBER
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