



MINISTER OF FINANCE
OF THE REPUBLIC OF INDONESIA

COPY OF

REGULATION OF THE MINISTER OF FINANCE OF THE REPUBLIC OF
INDONESIA NUMBER 128/PMK.08/2012

CONCERNING

SALE OF GOVERNMENT SECURITIES IN FOREIGN CURRENCIES IN THE
DOMESTIC PRIMARY MARKET WITH *BOOKBUILDING* WAY

BY THE GRACE OF GOD ALMIGHTY

MINISTER OF FINANCE OF THE REPUBLIC OF INDONESIA,

- Considering : a. that in order to realize the Government Securities in the deep, active, liquid country and to implement diversification instruments of the Government Securities as well as to expand the investor base, it is necessary to develop an instrument of the Government Securities by issuing The Government Securities in foreign currencies in the domestic primary market with *Bookbuilding* way;
- b. that in order to provide legal certainty in the execution of the sale of Government Securities in foreign currencies in the domestic primary market by way of *bookbuilding*, it is deemed necessary to construct the Regulation of the Minister of Finance concerning Sale of Government Securities in Foreign Currencies In the Domestic Primary Market With *Bookbuilding* Way;
- c. that based on the considerations set forth in letter a and letter b, it is necessary to stipulate Regulation of the Minister of Finance concerning the Sale of Government Securities in Foreign Currencies in the Domestic Primary Market With *Bookbuilding* way;
- In View of : 1. Act Number 24 Year 2002 concerning Government Securities (State Gazette of the Republic of Indonesia Year 2002 Number 110, Supplement to State Gazette of the Republic of Indonesia Number 4236);
2. The Presidential Regulation Number 54 Year 2010 concerning Procurement of Goods / Services as amended by The Presidential Decree Number 35 Year 2011;
3. The Presidential Decree Number 56 / P Year 2010:

DECIDES:

To stipulate : REGULATION OF THE MINISTER OF FINANCE CONCERNING SALE OF GOVERNMENT SECURITIES IN FOREIGN COUNTRIES IN THE DOMESTIC PRIMARY MARKET WITH *BOOKBUILDING* WAY.



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CHAPTER I

GENERAL PROVISIONS

Article 1

In this Regulation of the Minister referred to as:

1. Government Securities are securities in the form of debt instruments denominated in rupiah and foreign currency which are guaranteed by interest and principal payments by the Republic of Indonesia, according to the expiry date.
2. Government Treasury Bills are Government Securities with a maturity of up to 12 (twelve) months with discounted interest payments.
3. Government Bonds are Government Securities with a maturity of more than 12 (twelve) months with a coupon and / or with discounted interest payments.
4. Domestic Primary Market is offering and selling activity of Government Securities in foreign currencies in the territory of Indonesia for the first time with *Bookbuilding* way.
5. Domestic Secondary Market is activity of the Government Securities trading in the foreign currencies in the territory of Indonesia that have been sold in the Domestic Primary Market.
6. Person is an individual of a citizen of Indonesia, and / or well-organized wealth whether it is a legal entity or not a legal entity which established or domiciled in the territory of the Republic of Indonesia.
7. *Bookbuilding* is selling activity of Government Securities in foreign currencies in the Domestic Primary Market through Sales Agent, which collects Subscription Sales Agent in the offer period specified.
8. Sales Agent is a bank or securities company established by the Specific Budget User through the procurement process Sales Agent to complete the sale of Government Securities in foreign currencies in the Domestic Primary Market.
9. Specific Budget User is an official appointed by the Budget User to use the budget of the Ministry / Agency / Regional Work Units.



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10. Commitment Making Official in order sale of Government Securities in foreign currencies in the Primary Market Domestic, hereinafter referred to as Commitment Making Official, is the official responsible for the procurement of services Sales Agent.
11. Service Sales Agent Procurement Committee in the context of the sale of Government Securities in foreign currencies in the Primary Market Domestic, hereinafter referred to as the Procurement Committee, is a committee established by the Specific Budget User to implement the provision of services in the context of sale of The Government Securities in foreign currencies in the Domestic Primary Market.
12. Bidding Document Procurement Service Sales Agent in order sale of Government Securities In the Foreign Currencies in the Domestic Primary Market, hereinafter referred to as the Bidding Document, are documents submitted by the candidate Sales Agent which consist of document administration, technical, and qualifications.
13. Purchasing Order is bidding for the purchase of Government Securities in foreign currencies in Domestic Primary Market by potential investors.
14. Information Memorandum is written information concerning the offering of Government Securities in foreign currencies in the Domestic Primary Market to the public.
15. Allotment is the determination of the allocation of Government Securities which is acquired every subscriber in accordance with the sale of Government Securities in foreign currencies in the Domestic Primary Market.
16. Settlement is the settlement of Government Securities consisting of funds settlement and ownership of The Government Securities Settlement.
17. Labor Day is the day that the payment system operational by Bank Indonesia.

CHAPTER II

TERMS AND CONDITIONS OF SALES AGENT

Article 2



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- (1) Sale of Government Securities in foreign currencies in the Domestic Primary Market through the Sales Agent.
- (2) Sales Agent as referred to in paragraph (1) appointed through the procurement by the Service Sales Agent.

Article 3

To be determined as a Sales Agent, Sales Agent candidates must meet the following requirements:

- a. Bank or securities companies that trades execute a minimum of 2% of the total trading volume of Government Securities *Benchmark* series denominated in Rupiah in the Domestic Secondary Market, for 3 (three) months commencing at the end of the month before the date of announcement of the procurement of services Sales Agent;
- b. It has a wide marketing network;
- c. Having a business plan, strategies, and sale methodologies of Government Securities in foreign exchange through *Bookbuilding*, and
- d. Having team members who have the knowledge and experience to sell financial products denominated in foreign currencies.

Article 4

- (1) Implementation of Service Sales Agent procurement conducted by the Procurement Committee.
- (2) The Procurement Committee as referred to in paragraph (1) is formed by the Specific Budget User.

Article 5

- (1) The determination of candidate of Sales Agent determined by the Specific Budget User.
- (2) The determination of candidate of Sales Agent as referred in paragraph (1) followed up with a letter of appointment by the Commitment Making Official.
- (3) The appointment of the Sales Agent as referred in paragraph (2), followed up by the employment agreement between the Commitment Making Official with the Sales Agent.
- (4) Amount the Sales Agent will be appointed as referred in paragraph (2) determined according to the needs of the



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Government, at least 2 (two) Sales Agent.

Article 6

Procurement service Sales Agent performed through the following steps:

- a. announcements;
- b. registration and retrieval of procurement documents;
- c. the briefing;
- d. Bidding Document income;
- e. Bidding Document opening;
- f. Bidding Document evaluation;
- g. participant selection procurement service Sales Agent to join the presentation (*beauty contest*);
- h. implementation of the *beauty contest*;
- i. ranking the results of the implementation of the *beauty contest*;
- j. determination of candidate the Sales Agent;
- k. announcements of candidate the Sales Agent;
- l. rebuttal;
- m. rebuttal appeal (if any),
- n. Appointment of Sales Agent.

Article 7

- (1) In the event that the Procurement Document as referred to in Article 6 letter d received by the Procurement Committee is less than 3 (three) Bidding Documents, the Procurement Committee shall announce again.
- (2) In the event of repeated announcement as referred to in paragraph (1), participants of procurement service Sales Agent who previously has entered the Bidding Document to the Procurement Committee still included in the procurement service Sales Agents process without having to re-enter the Bidding Documents.
- (3) In the event that after repeated announcement as referred to in paragraph (1), the amount of Bidding Documents received still less than 3 (three) Bidding



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Documents, so the service Sales Agent procurement process and the Procurement Committee declared failed to report to the Specific Budget User.

Article 8

In terms of the amount of candidates Sales Agent based on the results of the procurement service Sales Agent as referred to in Article 6 is less than 2 (two) candidates Sales Agent, so the service Sales Agent procurement process declared failed and the Procurement Committee to report to the Specific Budget User.

CHAPTER III

SALES EXECUTION

Article 9

Each Party may purchase Government Securities in foreign currencies in Domestic Primary Market.

Article 10

- (1) In order of sale of Government Securities in foreign currencies in Domestic Primary Market, Information Memorandum are required.
- (2) Information Memorandum as referred to in paragraph (1) shall at least contain:
 - a. structure of Government Securities which offered;
 - b. procedures for Ordering of Purchasing, and
 - c. Allotment method.

Article 11

In order sales of Government Securities in foreign currencies in the Domestic Primary Market, Government and the Sales Agent can meet investors.

Article 12

- (1) Unit in the technical implementation of preparatory activities and the sale of Government Securities in foreign currencies in Domestic Primary Market is the Directorate General of Debt Management.
- (2) In performing its duties as referred in paragraph (1), the Directorate General of Debt Management can coordinate with agencies and stakeholders.



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CHAPTER IV

DETERMINATION OF PROCEEDS AND ALLOTMENT

Article 13

- (1) The Director General of Debt Management for and on behalf of the Minister of Finance has the right to accept in whole or in part, or reject all Purchasing Order of Government Securities in foreign currencies in the Domestic Primary Market which is incoming.
- (2) The Director General of Debt Management for and on behalf of the Ministry of Finance set the sale and / or Allotment of Government Securities in foreign currencies in the Domestic Primary Market in a meeting of determination.
- (3) The Director General of Debt Management has to submit a report on the determination as referred to in paragraph (1) to the Minister of Finance.

Article 14

- (1) The proceeds from sale of Government Securities in foreign currencies in the Domestic Primary Market announced to the public after the determination of the sale.
- (2) The announcement of the sale of Government Securities in foreign currencies in the Domestic Primary Market to the public as referred to in paragraph (1) at least include:
 - a. nominal value;
 - b. series of Securities;
 - c. interest rate, for the Government Bonds with a coupon;
 - d. yield (yield), and
 - e. Maturity date.

CHAPTER V

SETTLEMENT

Article 15

- (1) Settlement of Government Securities in foreign currencies in the Domestic Primary Market done no later than 5 (five) Labor Days after the determination of the



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sale of Government Securities in the foreign currencies (T +5).

- (2) The mechanism of the technical implementation of the Settlement as referred in paragraph (1) according to the requirements of Bank Indonesia.

CHAPTER VI

RECORDING PRODUCTS SOLD

Article 16

- (1) All proceeds of Government Securities in foreign currencies in the Domestic Primary Market, constitutes acceptance of the country and recorded in the National Budget.
- (2) Costs incurred in implementation of the sale of Government Securities in foreign currencies in the Domestic Primary Market that is a burden on the state.

CHAPTER VII

CLOSING PROVISIONS

Article 17

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 7, 2012

MINISTER OF FINANCE OF
THE REPUBLIC OF
INDONESIA,

Signed.

AGUS D.W. MARTOWARDOJO

Promulgated in Jakarta

on August 7, 2012



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MINISTER OF JUSTICE AND HUMAN RIGHTS
OF THE REPUBLIC OF INDONESIA,

Signed.

AMIR SYAMSUDIN

STATE GAZETTE OF THE REPUBLIC OF INDONESIA NUMBER 784 YEAR 2012