



Market Updates

21st ACG Cross Training Seminar
Yogyakarta, 05 March 2019

CCP Key Processes



Membership & Participation

Criteria for participation are objective, risk-based, and publicly disclosed, which permit fair and open access.

Guarantee Fund Management

Financial resources are available and sufficient in the event of a default or multiple defaults in extreme but plausible market conditions.

Default Management

- Effective and clearly defined rules and procedures of default participants.
- Timely action to contain losses and liquidity pressures and continue to meet obligations.

Clearing & Settlement Arrangement

- Clearing and multilateral netting to enhance efficiency and reduce risk.
- Settlement facilitation covering securities, fund, and other rights and obligations.

Collateral Management

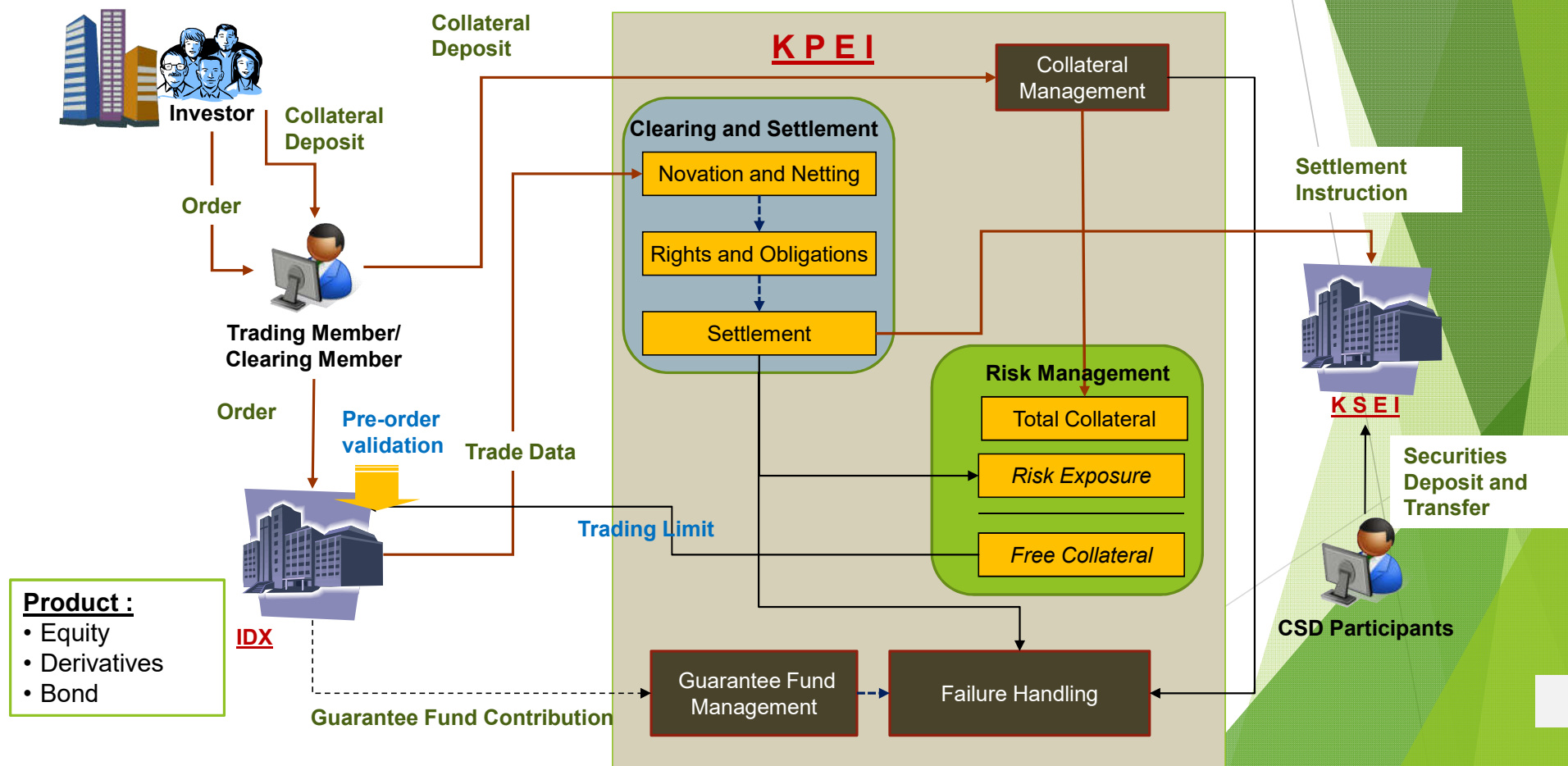
- Collateral is required and managed to cover participants' credit exposure.
- Collaterals that have low credit, liquidity, and market risks.

Risk Management

- Effectively measure, monitor, and manage:
- Credit risk to Participants.
 - Effective margin system.
 - Liquidity Risk.

KPEI Core Competencies

Basic Operation Scheme (Exchange Traded Instruments)

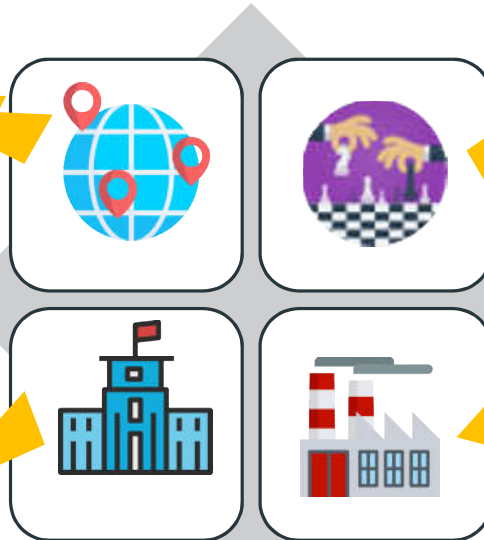


Opportunities and Challenges



Global Trend: ⊕ ⊕

1. Expansion of CCP roles. (+)
2. International principles and recommendations for strengthening CCP. (+)
3. Rigorous assessment to CCP from both members and International bodies (-)



(+) Opportunities
(-) Challenges

Regulatory : ⊕ ⊖

1. Tightened financial rules and regulations. (+)
2. Integration of regulations and supervisions. (+)
3. Capital Market Law needs renewed (-)

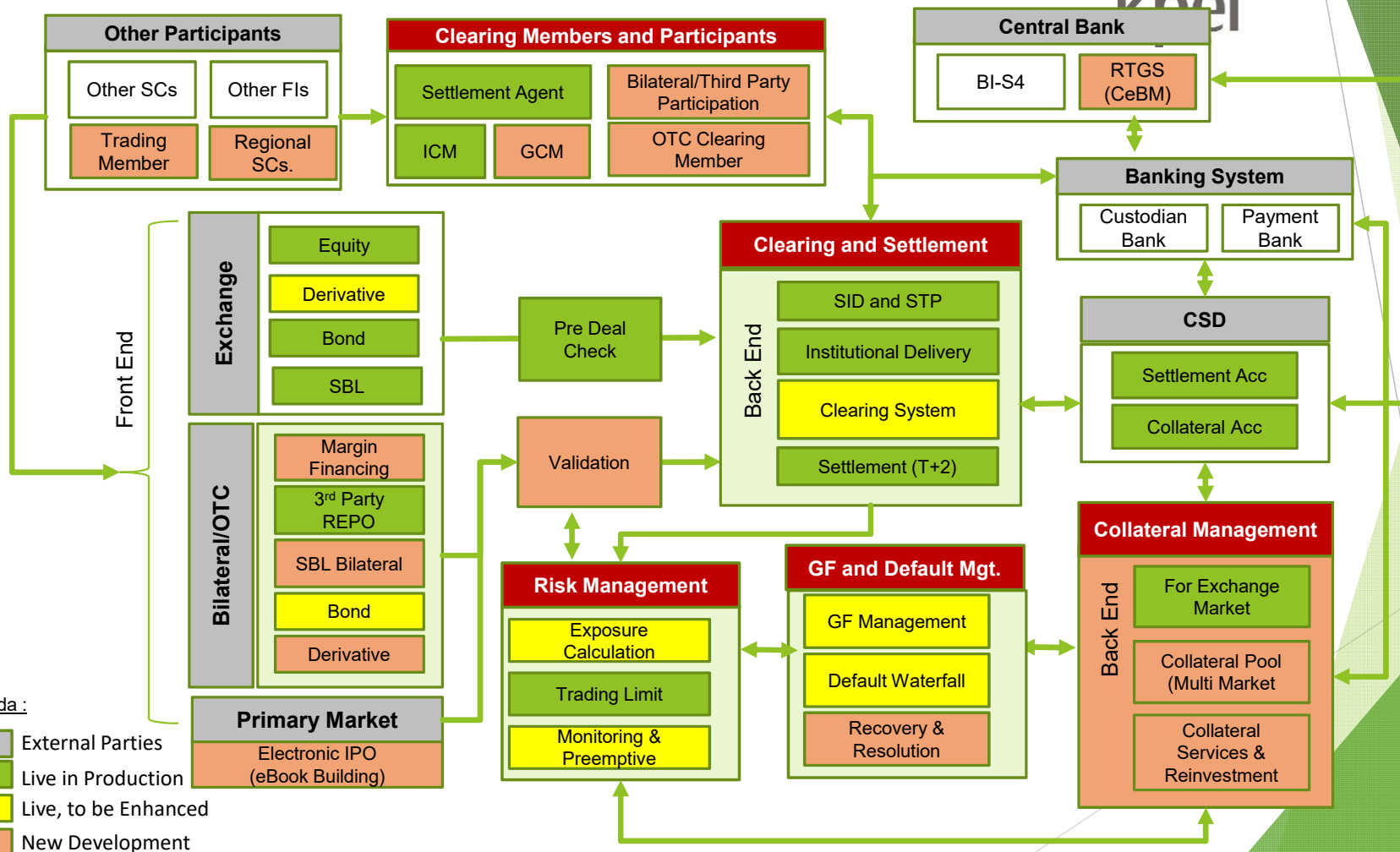
Regional Cooperation: ⊕ ⊖

1. ASEAN Economic Community. (+/-)
2. ASEAN Link. (+/-)
3. ASEAN + 3 Bond Market Initiative (+/-)
4. Regional harmonization. (+/-)

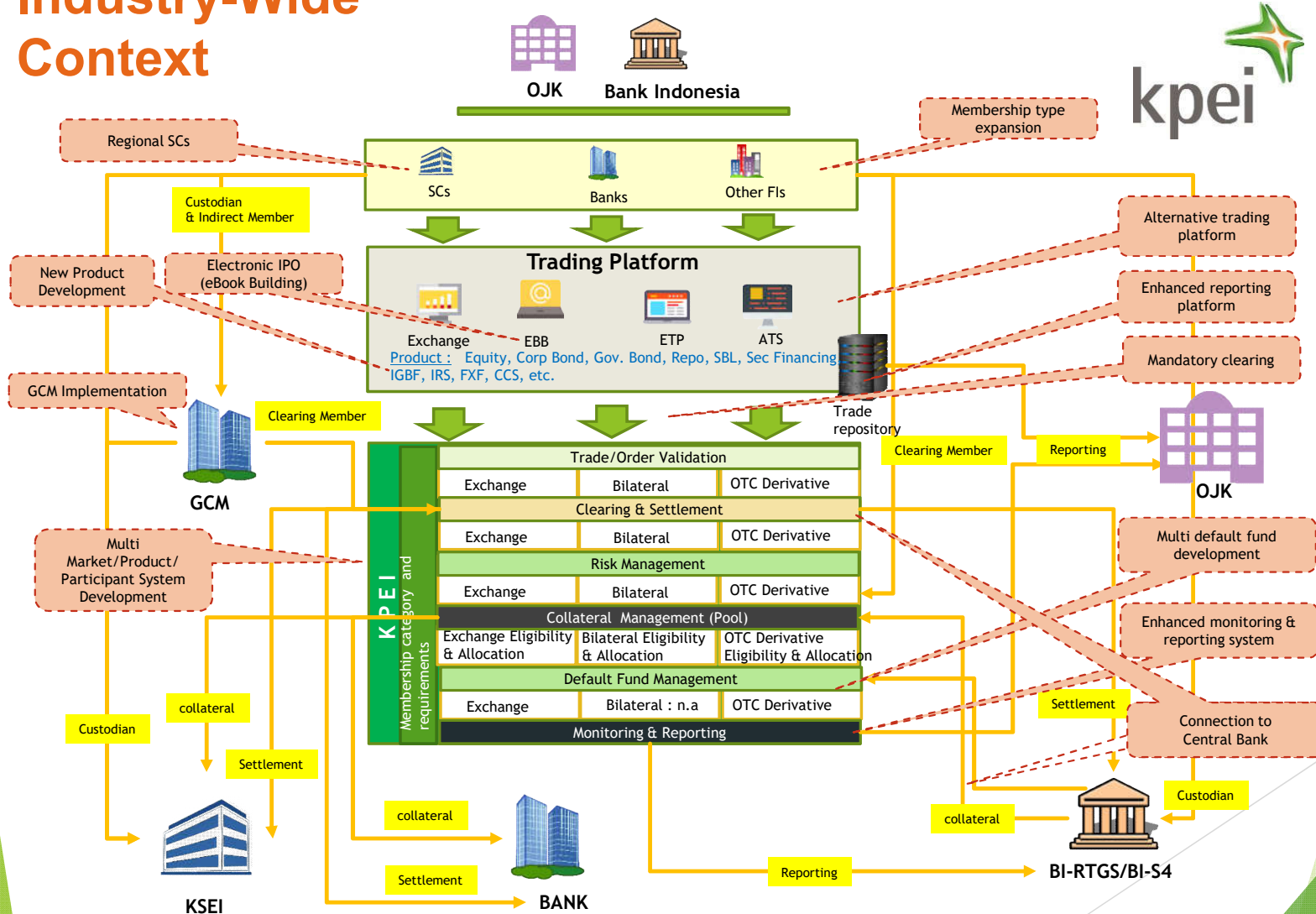
Market/Industry : ⊕ ⊖

1. Relatively limited active domestic investors (-)
2. Limited Instruments (-)
3. Low market *velocity and liquidity* (-)
4. Huge market potential (+)
5. Fintech Development.(+/-)

Business Development Building Block



Industry-Wide Context





End of Presentation

Thank You