

Notification of the Bank of Thailand
Re: Compensation Rate on Sell/Purchase of Debt Instruments and
Calculation Methods

1. Rationale

To designate compensation rate and method of compensation calculation in case financial institutions make use of overnight intraday liquidity facilities and in case the repurchase right of financial institutions to buy back debt instruments used for overnight intraday liquidity facilities is ended.

2. Authority

By virtue of the provision of the Article 3 (5) and the Article 3 (6) of the Bank of Thailand Regulation on Purchase of Debt Instruments under Repurchase Contract for Intraday Liquidity Facilities

3. Scope of enforcement

This notification is to enforce financial institutions which signed Letter of Agreement to benefit and abide by Bank of Thailand Regulation on Purchase of Debt Instruments under Repurchase Contract for Intraday Liquidity Facilities.

4. Content

The Bank of Thailand has imposed compensation rate on sell/purchase of debt Instruments and calculation methods as below:

(1) The Bank of Thailand shall calculate the compensation for selling back debt instruments on the next business day after repurchase and the compensation for seizing debt instruments of financial institutions which end of repurchase right at the BOT policy rate on the purchase date plus 1.5 per cent per annum.

(2) Compensation calculation shall be as following:

Parts of unable-to-repurchase debt instruments on the selling date x [The numbers of days before repurchase or end of repurchase right (includes holidays)] / 365 x Compensation rate/100

This notification shall take effect 15th May B.E. 2549 onwards.

Given on 12th April B.E. 2549

(Signed)

(M.R. Pridiyathorn Devakula)

Governor

Bank of Thailand