

Unofficial Translation
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This translation is for the convenience of those unfamiliar with the Thai language.
Please refer to the Thai text for the official version.

Notification of the Bank of Thailand

No. SorRorKor. 6/2552

**Re: Designating Other Institutions as Financial Institutions under the Regulation
of the Bank of Thailand Re: Purchase of Debt Instruments under Repurchase
Contract for Intraday Liquidity Facilities**

1. Rationale

To designate other institutions as financial institutions according to (2) of the definition of “Financial Institution” under the Regulation of the Bank of Thailand Re: Purchase of Debt Instruments under Repurchase Contract for Intraday Liquidity Facilities.

2. Statutory power

By virtue of Sections 44 and 45 of the Financial Institutions Businesses Act B.E. 2551 and as amended thereof, and to comply with (2) of the definition of “Financial Institution” under the Regulation of the Bank of Thailand Re: Purchase of Debt Instruments under Repurchase Contract for Intraday Liquidity Facilities.

3. Scope of application

This Notification shall apply to other institutions under the Regulation of the Bank of Thailand Re: Purchase of Debt Instruments under Repurchase Contract for Intraday Liquidity Facilities.

4. Contents

The Bank of Thailand designates the following specialized financial institutions as other institution in accordance with (2) of the definition of “Financial Institution” under the Regulation of the Bank of Thailand Re: Purchase of Debt Instruments under Repurchase Contract for Intraday Liquidity Facilities.

- (1) The Government Savings Bank
- (2) The Government Housing Bank
- (3) The Bank for Agriculture and Agricultural Cooperatives
- (4) The Export – Import Bank of Thailand
- (5) Islamic Bank of Thailand

- (6) Small and Medium Enterprise Development Bank of Thailand
- (7) Financial Institutions Development Fund

5. Effective date

From 1 December 2009 onward.

Announced on the 16 November 2009

(Mrs. Tarisa Watanagase)
Governor
Bank of Thailand

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(Unofficial Translation*)

Notification of the Bank of Thailand

No. Sor.Ror.Khor. 7/2552

Re: The Bank of Thailand's Purchase Prices of Debt Instruments in Connection to the Provision of Intraday Liquidity Facilities for Financial Institutions

1. Rationale

To specify the Bank of Thailand (BOT)'s purchase prices of debt instruments with a repurchase agreement by the seller for the purpose of maintaining intraday liquidity

2. Statutory Power

By virtue of the provision of Articles 44 and 45 of the Bank of Thailand Act B.E. 2485 and amendments thereafter and for the enforcement of Article 1(1) of the Regulation of the Bank of Thailand Re: Purchase of Debt Instrument with Repurchase Agreement to Provide Intraday Liquidity Facilities.

3. Scope of Application

This Notification shall be enforced with financial institutions according to the Regulation of the Bank of Thailand Re: Purchase of Debt Instrument with Repurchase Agreement to Provide Intraday Liquidity Facilities.

4. Essence

The BOT shall purchase debt instruments from financial institutions at the market prices¹ discounted by a haircut according to the type and remaining time to maturity of the concerned debt instruments as follows.

Debt instrument type	Haircut (percent) according to remaining time to maturity
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¹ Market prices published by ThaiBMA, calculated according the formula for debt instrument prices announced by the BOT, using the rate of return at end of day one day before the trade date, for delivery on the trade date. (In the case that the aforementioned rate of return cannot be retrieved, the rate of return on the latest available date can be used instead.) In case that no market prices as published by ThaiBMA are not available, market prices shall be determined according to the methods stipulated by the BOT, published on the BOT website.

	0 – 5 years	>5 – 10 years	> 10 – 20 years	> 20 years
Treasury bill, R-bill, government bond ² , BOT bond ²	1	1.5	2.5	3
Bond or debentures issued by a government institution or state-owned enterprises or financial institutions established under a specific law, as the BOT deems appropriate	1.5	3	4.5	5.5

² For floating rate government bonds and floating rate BOT bonds, the haircuts in the 0-5 year remaining time to maturity shall be applied.

5. Effective Date

This Notification shall be in force on 1st December B.E. 2552 (2009) onwards.

Given on 16th November B.E. 2552 (2009).

(Mrs. Tarisa Watanagase)

Governor

Bank of Thailand

(Unofficial Translation*)

Notification of the Bank of Thailand

No. Sor.Ror.Khor. 8/2552

Re: Criteria for the Purchase of Debt Instruments in Connection to the Provision of
Intraday Liquidity Facilities

1. Rationale

To clearly specify the criteria for the purchase of debt instruments in connection to the provision of intraday liquidity facilities.

2. Statutory Power

By virtue of the provision of Articles 44 and 45 of the Bank of Thailand Act B.E .2485 and amendments thereafter and for the enforcement of Article 1(4) of the Regulation of the Bank of Thailand Re: Purchase of Debt Instrument with Repurchase Agreement to Provide Intraday Liquidity Facilities.

3. Scope of Application

This Notification shall be enforced with financial institutions according to the Regulation of the Bank of Thailand Re: Purchase of Debt Instrument with Repurchase Agreement to Provide Intraday Liquidity Facilities.

4. Essence

4.1 The Bank of Thailand (BOT) shall purchase debt instruments at least 2 days before the registration book closing date of such debt instruments.

Registration book closing date refers to the period during which there shall be no transfer, pledging or change in conditions according to the announcement of the registrar or any other announcement regarding the sale of each lot of debt instruments.

4.2 The BOT shall purchase at least 1.0 million baht worth of debt instruments in total for each purchase.

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5. Effective Date

This Regulation shall be in force on 1st December B.E. 2552 (2009) onwards.

Given on 16th November B.E. 2552 (2009).

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Notification of the Bank of Thailand
No.: SorRorKor. 9/2552
Re: Compensation Rate in the Trading of Debt Instruments and Calculation Method

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1. Rationale

To establish the compensation rate and calculation method in the case where financial institution utilizes the intraday liquidity overnight and in the case where financial institution's right to repurchase the debt instruments expires due to overnight utilization of intraday liquidity facilities.

2. Statutory power

By virtue of Sections 44 and 45 of the Financial Institutions Businesses Act B.E. 2551 and as amended thereof, and to comply with Clause 3 (5) and Clause 3 (6) (6.1) of the Regulation of the Bank of Thailand Re: Purchase of Debt Instruments under Repurchase Contract for Intraday Liquidity Facilities.

3. Scope of application

This Notification shall apply to financial institutions under the Regulation of the Bank of Thailand Re: Purchase of Debt Instruments under Repurchase Contract for Intraday Liquidity Facilities.

4. Contents

4.1 The Bank of Thailand shall charge compensation for selling back the debt instruments on the business day following the purchase date and compensation in the case where the financial institution's right to repurchase expires at the BOT policy rate on the purchase date plus 0.5 per cent per annum.

4.2 The compensation shall be calculated as follows:

Portion of debt instruments unable to repurchase on the selling date	X <u>[number of days before the repurchase or before the repurchasing right expires (including holidays)]</u>	X <u>(compensation rate)</u>
	365	100

5. Effective date

From 1 December 2009 onward.

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Notification of the Bank of Thailand

No.: SorRorKor. 10/2552

**Re: Regulations for Notifying the Bank of Thailand to Undertake Actions related to
Intraday Liquidity Facilities in case of Failure**

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1. Rationale

To establish the rules and procedures to notify the Bank of Thailand to undertake actions related to intraday liquidity facilities in an emergency which prevents the financial institution to do so by itself.

2. Statutory power

By virtue of Sections 44 and 45 of the Financial Institutions Businesses Act B.E. 2551 and as amended thereof, and to comply with Clause 6 of the Regulation of the Bank of Thailand Re: Purchase of Debt Instruments under Repurchase Contract for Intraday Liquidity Facilities.

3. Scope of application

This Notification shall apply to financial institutions under the Regulation of the Bank of Thailand Re: Purchase of Debt Instruments under Repurchase Contract for Intraday Liquidity Facilities.

4. Contents

The Bank of Thailand hereby stipulates rules and procedures to notify the Bank of Thailand to proceed on intraday liquidity fund in an emergency as follows:

- 4.1 Financial institution facing difficulty and is unable to take the following actions.
- (1) Sell additional debt instrument during the day;
 - (2) Repurchase all or parts of the debt instruments before the end of the day;
 - (3) Use parts of positive balance of the clearing of checking account;
 - (4) Set aside debt instruments in an intraday liquidity fund account for other purpose than intraday liquidity fund and for pledging the positive balance of the check clearing account;

(5) Transfer debt instruments in the intraday liquidity fund account of the financial institution.

The financial institution shall call the BAHTNET Operation Team at Tel. 0-2283-5045-7, 0-2283-5071-2, 0-2283-5139 and 0-2283-5053.

4.2 Financial institution shall issue a letter notifying the Bank of Thailand to undertake actions related to intraday liquidity fund on its behalf by using the attached form. The BOT shall proceed only upon receiving the document. In the case of emergency, financial institution shall fax such document to allow the BOT to make necessary preparation.

5. Effective date

From 1 December 2009 onward.

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Notification of the Bank of Thailand

No. Sor.Ror.Khor. 12/2552

Re: Valuation of Debt Instruments in Case of Expiration of Rights to Repurchase

1. Rationale

To specify the guidelines in calculating the value of debt instruments in case of expiration of rights to repurchase according to the Regulation of the Bank of Thailand Re: Purchase of Debt Instrument with Repurchase Agreement to Provide Intraday Liquidity Facilities.

2. Statutory Power

By virtue of the provision of Articles 44 and 45 of the Bank of Thailand Act B.E.2485 and amendments thereafter and for enforcement of Articles 3 (6) (6.2) of the Regulation of the Bank of Thailand Re: Purchase of Debt Instrument with Repurchase Agreement to Provide Intraday Liquidity Facilities..

3. Scope of Application

This Notification shall be enforced with financial institutions according to Regulation of the Bank of Thailand Re: Purchase of Debt Instrument with Repurchase Agreement to Provide Intraday Liquidity Facilities..

4. Essence

The Bank of Thailand (BOT) shall calculate the value of debt instruments in case of expiration of rights to repurchase according to the following guidelines.

Debt instrument type	Rate used to calculate the value of a debt instrument according to its market value ^{1/}
1. Government bond and BOT bond	98.5 percent of market value
2. Bond or debentures issued by a government agencies or state-owned enterprises or financial institutions	97.0 percent of market value

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established under specific laws	
3. Treasury bill and R-bill	99.5% of market value

^{1/} Market prices published by ThaiBMA, calculated according the formula for debt instrument prices announced by the BOT, using the rate of return at end of day one day before the trade date, for delivery on the trade date. (In the case that the aforementioned rate of return cannot be retrieved, the rate of return on the latest available date can be used instead.) In case that no market prices as published by ThaiBMA are not available, market prices shall be determined according to the methods stipulated by the BOT, published on the BOT website.

5. Effective Date

This Notification shall be in force on 1st December B.E. 2552 (2009) onwards.

Given on 16th November B.E. 2552 (2009)

(Mrs. Tarisa Watanagase)

Governor

Bank of Thailand