

Unofficial Translation
With the courtesy of the Foreign Banks' Association
This translation is for the convenience of those unfamiliar with the Thai language. Please refer to the Thai text for the official version.

THE BANK OF THAILAND

3 May 2006

To Manager

All financial institutions*

No. ForTorNgor. (1 Kor) Wor. 8/2549 Re:Repeal of Regulation on Repurchase Agreement B.E. 2545 and the Regulation on End of Day Facility B.E. 2544 and Dispatch of the Bank of Thailand Regulation on Repurchase Agreement B.E. 2549 and the Bank of Thailand Regulation on End of Day Facility B.E. 2549

To support the development of centralization of Securities Depository and the Clearing and Settlement System of government and private debt instruments at Thailand Securities Depository Co., Ltd under the Bond Development Plan Phase 2 (B.E. 2548 – 2557) of the Ministry of Finance, the following actions shall be complied.

1. The Bank of Thailand Regulation on Repurchase Agreement B.E. 2545 and the amendments thereof and the Bank of Thailand Regulation on End of Day Facility B.E. 2544 and the amendments thereof shall be repealed.

2. The Bank of Thailand Regulation on Repurchase Agreement B.E. 2549 and The Bank of Thailand Regulation on End of Day Facility B.E. 2549 shall be complied.

Essence of the differences between new and former regulations is as follows:

Amendments	Practices under former Regulation	Practices under new Regulation
1. Debt Instruments management	In the book entry system of the Bank of Thailand (BOT)	In sub-book account under the BOT-RP account at the Securities Depository

Amendments	Practices under former Regulation	Practices under new Regulation
2. Debt Instruments depository	Deposit debt instruments in the accounts at the BOT	Members transfer debt instruments from their accounts at the Securities Depository to their accounts under the BOT-RP account at the Securities Depository
3. Debt Instruments withdrawal	Withdraw debt instruments at the BOT between 8.30 a.m. – 4.30 p.m.	<p>1. Between 8.30 a.m. – 3.30 p.m.</p> <p>1.1 Withdraw through the BOT BahtNet system, which connects to the Repurchase market system</p> <p>1.2 Members of Custodian / Broker must inquire the Custodian / Broker to act on behalf through the BOT BahtNet system which connects to the Repurchase market system</p> <p>2. Between 3.30 a.m. – 4.30 p.m., submit the letter in the form prescribed and inquire the BOT to act on behalf</p>

Amendments	Practices under former Regulation	Practices under new Regulation
4. Custodian fees for the deposit of debt instruments that Securities Depository charge to the BOT according to values of members' RP sub-book account	No fees charge	As prescribed by the Securities Depository
5. Deposit / withdrawal fees that the Securities Depository charges to the BOT according to numbers of transactions	No fee charge	As prescribed by the Securities Depository

The new Regulations shall be in force from 15 May 2006 onwards. Financial institutions complied with these regulations shall submit documents as the forms attached to the BOT.

With Regards,

(Mrs. Pongpen Ruengvirayudh)
Senior Director
Financial Markets and Reserve Management Department
For Governor

- Enclosure: 1. The Bank of Thailand Regulation on Repurchase Agreement
B.E. 2549 and 5 copies of relevant Notifications
2. The Bank of Thailand Regulation on End of Day Facility
B.E. 2549 and 5 copies of relevant Notifications

Domestic Financial Markets Division
Financial Markets Office
Financial Markets and Reserve Management Department
Tel. 0-2283-5412, 0-2283-5408

Remark: No clarification meeting will be arranged.

* Excluding Financial Companies and International Banking Facilities

THE BANK OF THAILAND

The Bank of Thailand Regulation on Repurchase Agreement B.E. 2549

1. Statutory Power

By virtue of the provisions of Section 5, Section 28 and Section 40 of the Bank of Thailand Act B.E. 2485 and the amendments thereof and Articles 12(10), (10 bis) and (10 ter) of the Royal Decree Regulation the Affairs of the Bank of Thailand B.E. 2485 and the amendments thereof.

2. Repeal / Amendment

The Bank of Thailand Regulation on Repurchase Agreement B.E. 2545 and the amendments thereof shall be repealed.

3. Rationale

The Bank of Thailand (BOT) considers appropriate to amend the Bank of Thailand Regulation on Repurchase Agreement B.E. 2545 and the amendments thereof in order to support the development of centralization of Securities Depository and the Clearing and Settlement System of government and private debt instruments at Thailand Securities Depository Co.,Ltd under the Bond Development Plan Phase 2 (B.E. 2548 – 2557) of the Ministry of Finance.

4. Definition

Under this Regulation,

“BOT” means the Bank of Thailand.

“Members” means

- (1) Commercial banks in accordance with the laws governing commercial banks
- (2) Finance companies and credit foncier companies in accordance with the laws governing financial business, securities business and credit foncier business and
- (3) Other financial institutions and state enterprises prescribed by the BOT.

“Securities Depository” means Thailand Securities Depository Co., Ltd or other organizations established by the Stock Exchange of Thailand or approved by the Securities and Exchange Commission to engage in a securities depository and withdrawal center.

“Debt instruments” means debt instruments as prescribed by the BOT e.g. treasury bills, bills of exchange on debt restructuring, government bonds, BOT bonds and bonds or debentures issued by government organizations or state enterprises or financial institutions established under any specific laws. Where;

- (1) The BOT acts as a registrar and a settlement agent.
- (2) Debt instruments are underlying instruments in repurchase agreements that members assign the BOT to be a custodian. Members deposit such debt instruments in the BOT-RP account at the Securities Depository.

“BOT-RP account” means debt instruments account that the BOT opens with the Securities Depository as the BOT holds debt instruments on behalf of the members for repurchase purpose.

“RP sub-book account” means debt instruments account of each member under supporting systems and monitoring of the BOT to record data on depository / withdrawal of debt instruments, and on repurchase transactions of each member.

“EFS service” means services in accordance with the Bank of Thailand Regulation on Electronic Financial Services.

“Current account” means current accounts that members open with the BOT.

5. Contents

- 5.1 The BOT will engage in Repurchase with members according to specific timeframe as prescribed by the BOT on either of the period as follows;
 - (1) 1 day
 - (2) 7 days
 - (3) 14 days
 - (4) 1 month
 - (5) 2 months
 - (6) 3 months
 - (7) 6 months.

- 5.2 The BOT will charge operating fees on the operation of the repurchase transaction in the rates prescribed by the BOT.
- 5.3 Financial institutions wish to apply this regulation must
 - 5.3.1 Make the Letter of Agreement in the form prescribed by the BOT.
 - 5.3.2 Make a Letter of Power of Attorney to permit other person to act on behalf of members to contact with the BOT via telephone and to sign the confirmation document of repurchase transaction in the form prescribed by the BOT.
 - 5.3.3 Make a Letter of Permission for debit and credit the current account for the BOT in the form prescribed by the BOT.
 - 5.3.4 Make a Letter of Delegation to the BOT to engage in repurchase transaction.
 - 5.3.5 Open a RP sub-book account with the BOT.
 - 5.3.6 Deposit debt instruments that members have the legal title on and without any repurchase obligation according to this Regulation to the BOT-RP account, where members wish to do reverse-repurchase transaction. Members must proceed through supporting systems and processes of the Security Depository.
- 5.4 Where members engage in transactions with the BOT, for each transaction, the following process must be complied.
 - 5.4.1 Members shall call the BOT to submit a bid or offered order on debt instruments within the time and condition prescribed by the BOT.
 - 5.4.2 After the BOT receives such order; the BOT shall call members to notify trading results. The BOT will decide the size of transactions deal with members as consider appropriate.
 - 5.4.3 When members receive trading results from the BOT, it presumes that members already engage in repurchase agreements, and repurchase agreements immediately become effective, and members wish to register the transfer of legal title on debt instruments according to such agreements. Accordingly, members permit the BOT to allocate their debt instruments for such transactions.
 - 5.4.4 Members shall submit a Notified Letter for performing repurchase transactions on the next business day within the time prescribed by the BOT.
 - 5.4.5 The BOT shall notify members the results of the transfer of legal title on debt instruments on the next business day after the trade date.

5.5 Where members receive the result of debt instruments trading following clause 5.4.3, if members proceed as follows;

5.5.1 Do not submit a Notified Letter for performing repurchase transaction following clause 5.4.4, or

5.5.2 Maintain an inadequate amount in the current accounts to settle the full trading amount of each transaction, or

5.5.3 Maintain inadequate number of debt instruments according to this Regulation for the legal title transfer of each transaction, it presumes that the repurchase agreements with the BOT are voided and invalid since the beginning.

5.6 Where repurchase agreements are voided following clause 5.5, the BOT shall proceed as follows;

5.6.1 Where members do not submit a Notified Letter for performing repurchase transaction following clause 5.5.1, the BOT shall proceed one of the following actions;

(1) Where members who do not submit the letters are buyers of debt instruments, the BOT shall transfer the legal title on debt instruments back from members and return the payments to members' current accounts.

(2) Where members who do not submit the letters are sellers of debt instruments, the BOT shall transfer the legal title on debt instruments back to members and subtract the payments from members' current accounts. In this case, the BOT shall transfer the legal title on debt instruments in the amount as considers appropriate which is equal in values back to members.

In this case, the BOT shall charge the operating fees prescribed by the BOT in clause 5.2, including fines prescribed by the BOT.

5.6.2 Where members cannot maintain adequate money in the current accounts to settle the full trading amount of each transaction following clause 5.5.2 or cannot maintain adequate number of debt instruments according to this Regulation for the legal title transfer of each transaction following 5.5.3, the BOT shall charge the operating fees prescribed by the BOT in clause 5.2, including fines prescribed by the BOT.

5.7 On the repurchase date, members shall repurchase debt instruments in the amount equal to the sum of trading amount, fees and returns which are agreed and confirmed with the BOT and shall confirm with the BOT within the time prescribed by the BOT.

If members who sell debt instruments fail to maintain adequate money in the current accounts for the settlements of repurchase transactions, in this case, the sellers' legal title to repurchase debt instruments is terminated. The BOT shall proceed the following actions:

- 5.7.1 Calculate the value of debt instruments that members fail to repurchase according to the Regulation prescribed by the BOT.
- 5.7.2 Charge operating fees including fines prescribed by the BOT.
- 5.7.3 Deposit in or withdraw money from members' current accounts. In case there is the difference between the settlement amount and the value of debt instruments calculated following clause 5.7.1.

5.8 Where members cannot maintain adequate amount in the current accounts for the settlements following clause 5.6.1, 5.6.2, 5.7.2 and 5.7.3 of this Regulation, members permit the BOT to sell debt instruments currently maintained at the BOT and other assets until adequate.

5.9 Members who sell debt instruments and commit to repurchase according to this Regulation are beneficiaries of the coupon on the debt instruments.

5.10 The BOT may refuse to trade (purchase / sell) debt instruments according to this Regulation with members temporarily or permanently in case members override this Regulation or other BOT' s Regulations and/or proceed any actions that inconsistent with and/or have negative impacts on authorities' guidelines in conducting the monetary policy and exchange rate policy and/or in establishing monetary system stability.

5.11 The withdrawal of debt instruments that members have the legal title on and without any repurchase obligation according to this Regulation from the BOT-RP account for repurchase transaction must be done by members themselves through the EFS service in accordance with the Bank of Thailand Regulation on Electronic Financial Services and the amendments thereof by 3.30 p.m.. Except for any emergencies which prevent members to act by themselves, members can inform the BOT to act on behalf by following the process prescribed by the BOT.

5.12 The BOT reserves rights to amend, add, or modify Regulations, Notifications or relevant documents prescribed in this Regulation with advance notices to members.

5.13 Clarification according to Regulations, Notifications or Requirements issued according to this Regulation is subjected to the approval of the BOT.

6. Transitory Provision

The Bank of Thailand Regulation on Repurchase Agreement B.E. 2545 and the amendments thereof shall be complied in the following cases.

- (1) Repurchase agreements have been executed under the Bank of Thailand Regulation on Repurchase Agreement B.E. 2545 and shall continue until members fulfill all obligations under the agreements.
- (2) Changes of the Securities Depository system to support the establishment of the Central Securities Depository have not yet finished.

Effective Date: From 15th May B.E. 2549 onwards.
Announced Date: 27th April B.E. 2549

[signed]

(M.R. Pridiyathorn Devakula)
Governor
The Bank of Thailand

Letter of Agreement

Date.....

I....., hereby state that I acknowledge and understand thoroughly the statements under the Bank of Thailand Regulation on Repurchase Agreement B.E. 2549. I wish to apply to engage in the Repurchase Agreement under this Regulation. I agree to bind myself to all Regulations and Stipulation issued under said Regulation, which is currently in force, and the future amendments.

I agree to bind myself to the Bank of Thailand and I shall not revoke the agreement stated herein this letter, except under consent in writing by the Bank of Thailand.

Signed.....

(.....)

Authorized Signatory

For.....

Duty Stamp

Power of Attorney

Date.....

Pursuant to my Letter of Agreement, I....., agree to bind myself to the Bank of Thailand Regulation on Repurchase Agreement B.E. 2549 and its future amendments.

In compliance with clause 5.3.2 under the Bank of Thailand Regulation on Repurchase Agreement B.E. 2549 and the amendments thereof, I hereby entrust persons, as listed below, to act on my behalf in the following businesses:

- (1) Contact the Bank of Thailand via telephone to engage in purchasing and selling debt instruments with the Bank of Thailand or to receive the confirmation documents from the Bank of Thailand.
- (2) Sign the confirmation documents of repurchase transactions under this Regulation.
- (3) Sign the Letter of Debt Instruments Withdrawal where debt instruments have been deposited for the repurchase operations with the Bank of Thailand.

Any action performed by the entrusted persons shall be deemed to have been performed by myself in all respects, and I shall not revoke the power conferred under this letter, except under inclusion or changes in the persons, entrusted by myself, which will be notified in writing to the Bank of Thailand in advance.

Signed.....

(.....)

Authorized Signatory

For.....

<u>Name/Surname</u>	<u>Signature Specimens</u>	<u>Position</u>	<u>Conditions</u>	<u>Telephone Number</u>
1.....
2.....
3.....

Remark Signed by the Authorized Signatories as certified by the Ministry of Commerce, attached with duty stamps (Baht 30 each)

Letter of Permission for debit and credit the current account

Date.....

Subject: Permission for the Bank of Thailand to debit and credit the current account

To Director of Financial Risk Management and Operations
Bank of Thailand

For benefits of purchasing and selling debt instruments under the Bank of Thailand Regulation on Repurchase Agreement B.E. 2549 and the amendments thereof, I,....., hereby grant the permission for the BOT to do the following businesses:

1. Credit my current account held at the BOT, Account Number, for the receipt of sell/resell debt instruments.
2. Debit my current account held at the BOT, Account Number, for the payment of purchase/repurchase the debt instruments or of the fines.
3. Debit or credit my current account held at the BOT for payment or receipt of the difference amount between the settlement amount and the value of debt instruments calculated following clause 5.7.1 and 5.7.3 of the Bank of Thailand Regulation in the case that members fail to fulfill the obligation to repurchase the debt instruments.

I agree to bind myself to the Bank of Thailand and I shall not revoke the agreement stated herein this letter, except under consent in writing by the Bank of Thailand.

Sincerely Yours,

Signed.....

(.....)

Authorized Signatory

For.....

Notified Letter for Performing Reverse Repurchase Transaction

Date.....

To Director of Financial Risk Management and Operations
Bank of Thailand

No...../.....Re: Notification of Purchasing Debt Instruments

Referring to my conversation I....., by
..... have informed the Bank of Thailand via the telephone on
.....that I would purchase debt instruments under the Bank of
Thailand Regulation on Repurchase Agreement B.E. 2549 and the amendments
thereof. The Bank of Thailand shall be deemed to sell debt instruments to me for
the amount ofBaht (.....) and I shall
resell such debt instruments back to the Bank of Thailand at the specified price
which is the sum of the price of debt instruments offered by the Bank of Thailand
with the rate of return ofpercent per year of that amount. The
repurchase transaction is performed as stated under this Regulation Section 5.1
type.....day/month and I have already received the notified letter from the
Bank of Thailand.

I hereby notify the aforementioned reverse repurchase transaction and I
shall perform under this Regulation in all respects.

Sincerely Yours,

Signed.....

(.....)

Authorized Signatory

For.....

Notified Letter for Performing Repurchase Transaction

Date.....

To Director of Financial Risk Management and Operations
 Bank of Thailand

No...../.....Re: Notification of Selling Debt Instruments

Referring to my conversation I....., by
..... have informed the Bank of Thailand via the telephone on
.....that I would sell debt instruments under the Bank of Thailand
Regulation on Repurchase Agreement B.E. 2549 and the amendments thereof.
The Bank of Thailand shall be deemed to purchase debt instruments from me for
the amount ofBaht (.....) and I shall
repurchase such debt instruments from the Bank of Thailand at the specified price
which is the sum of the prices of debt instruments bided by the Bank of Thailand
with the rate of return ofpercent per year of that amount. The
repurchase transaction is performed as stated under this Regulation Section 5.1
type.....day/month and I have already received the notified letter from the
Bank of Thailand.

I hereby notify the aforementioned repurchase transaction and I shall
perform under this Regulation in all respects.

Sincerely Yours,

Signed.....

(.....)

Authorized Signatory

For.....

Letter to Deposit Debt Instruments

Date.....

To Governor of the Bank of Thailand

Pursuant to my Letter of Agreement dated..... I,.....
(Name in English).....Address in English.....
..... hereby agree to bind myself to all
Regulations and Conditions stated under the Bank of Thailand Regulation on
Repurchase Agreement B.E. 2549 and the amendments thereof.

I hereby shall deposit the following debt instruments to the Bank of
Thailand in order to engage in repurchase transactions under this Regulation. The
legal title of such debt instruments shall remain to me and without any obligations.

<u>Type of Debt Instruments</u>	<u>Face Value (Baht)</u>
.....
.....
.....
Total

Sincerely Yours,

Signed.....

(.....)

Authorized Signatory

For.....

Letter to Withdraw Debt Instruments

Date.....

To Governor of the Bank of Thailand

Pursuant to my Letter of Agreement dated..... I,.....
(Name in English).....Address in English.....
..... hereby agree to bind myself to all
Regulations and Conditions stated under the Bank of Thailand Regulation on
Repurchase Agreement B.E. 2549 and the amendments thereof.

I hereby shall withdraw the following debt instruments deposit at the
Bank of Thailand in order to engage in repurchase transactions.

- To credit debt instruments account number..... at
the Securities Depository.
- To issue debt instruments paper and delegate the power to
..... National ID Number.....
District..... Province.....
Expiry Date.....as the holder of the following debt
instruments.

<u>Type of Debt Instruments</u>	<u>Face Value (Baht)</u>
.....
.....
.....
Total	<u>.....</u>

Sincerely Yours,

Signed.....

(.....)
Authorized Signatory

For.....

Signature Specimen

.....
(.....)
...../...../.....

Received

.....
(.....)
...../...../.....

Letter of Delegation to the Bank of Thailand
to Perform Repurchase Transactions

Date.....

I....., hereby agree to bind myself and to be the beneficial under the Bank of Thailand Regulation on Repurchase Agreement B.E. 2549 and the amendments thereof. I shall delegate all my power to the Bank of Thailand to handle my debt instruments which deposit under the Bank of Thailand account with the Thailand Securities Depository (TSD), Co.,Ltd. or other depository centers offering the service of securities depository in the area of custody, transferring, and purchasing or selling securities for the repurchase transactions.

Any action performed by the Bank of Thailand under this letter shall be deemed to have been performed by myself in all respects, and I shall not revoke the power conferred under this letter, except under consent in writing by the Bank of Thailand.

The aforementioned letter of delegation shall be in force on onwards.

Signed.....

(.....)

Authorized Signatory

For.....

Notified Letter for the Bank of Thailand
to Transfer Debt Instruments under the Debt Instruments Account
for Repurchase Agreement

Date.....

To Governor of the Bank of Thailand

Pursuant to my letter of agreement,....., dated....., I hereby agree to bind myself under the Bank of Thailand Regulation on Repurchase Agreement B.E. 2549 and the amendments thereof.

I shall consent the Bank of Thailand to transfer my debt instruments which deposit under the Bank of Thailand Regulation on Repurchase Agreement B.E. 2549 and the amendments thereof to “the Bank of Thailand debt instruments account for repurchase transactions” at the Thailand Securities Depository (TSD), Co.,Ltd. for my further repurchase transactions.

Sincerely Yours,

Signed.....

(.....)

Authorized Signatory

For.....

The Notification of the Bank of Thailand
Re: Operating fees for the operation of repurchase transactions under the
Bank of Thailand Regulation on Repurchase Agreement B.E. 2549

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By virtue of Section 5.2 of the Bank of Thailand Regulation on Repurchase Agreement B.E. 2549, the Bank of Thailand prescribed the fees for the operation of repurchase transactions as follows:

Types of Fees	Rate
1. Operating fees charged by the Bank of Thailand	At the rate of 0.03 percent per year
2. Custodian fees for the deposit of debt instruments that Securities Depository charges to the Bank of Thailand according to values of members' RP sub-book accounts	As prescribed by the Securities Depository
3. Deposit / withdrawal fees that the Securities Depository charges to the BOT according to numbers of transactions	As prescribed by the Securities Depository

This notification shall be in force from 15th May B.E. 2549 onwards.

Announced on 27th April B.E. 2549.

(M.R. Pridiyathorn Devakula)
Governor
Bank of Thailand

The Notification of the Bank of Thailand
Re: Condition on bid and offer orders
under the Bank of Thailand Regulation on Repurchase Agreement B.E. 2549

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By virtue of Section 5.4.1 of the Bank of Thailand Regulation on Repurchase Agreement B.E. 2549, the Bank of Thailand prescribed the condition on bid and offer orders of members as follows:

1. Members place the amount to purchase or sell debt instruments. The Bank of Thailand shall purchase or sell debt instruments to members at the market rate discounted by the haircut rate depended upon an agreement period, types of debt instruments, and the remaining maturity of debt instruments as follows:

A. In normal case:

Types of Debt Instruments and Maturity	Agreement period / Haircut rate(percent)			
	1 – 14 days	1 month	2 months	3 months and 6 months
Maturity 0 – 1 year				
- Treasury bills, Bills of exchange on debt restructuring, government bonds, BOT bonds, bonds or debentures issued by government organizations or state enterprises or financial institutions established under any specific laws where the BOT acts as a registrar and a settlement agent	1	1	1	1
Maturity > 1 year				
- Government bonds, BOT bonds	4	5.5	7.5	9
- Bonds or debentures issued by government organizations or state enterprises or financial institutions established under any specific laws where the BOT acts as a registrar and a settlement agent	4.5	6.5	9	11

^{1/} The market value published by the ThaiBMA is calculated using the formula of debt instruments valuation prescribed by the BOT. The rate of return at the end of the day where the BOT purchase debt instruments is used in the case that delivery is made on the date that the BOT seizes debt instruments (in case that the rate of return at the end of the

day before can not be found, the rate of return on the current/last date can be used instead). In case there is no market value published by ThaiBMA, the market values is calculated according to the methods prescribed by the BOT on the BOT website.

B. In case of debt instruments with periodically coupon payment, if the closing date of the register book is in between an agreement period (counted from the day after the agreement date to the due date), the haircut rate used in this case is the haircut rate in the normal case plus the coupon rate in that period in terms percentage of the market price of such debt instruments.

2. Each bid or offer order must not place more than 2 transactions. The amount of each transaction cannot exceed 3,000 million baht and the minimum of 10 million baht with rounding of a 1 million baht.

3. The rate of return on the trading of debt instruments shall be offered in percentage per year of the amount purchase or sell in clause 1. The rate of return must not be offered in the figure of $1/32$ of 1 unit.

This notification shall be in force from 15th May B.E. 2549 onwards.

Announced on 27th April B.E. 2549.

(M.R. Pridiyathorn Devakula)
Governor
Bank of Thailand

The Notification of the Bank of Thailand
Re: Operating time of the Bank of Thailand and operating process of
members under the Bank of Thailand Regulation on
Repurchase Agreement B.E. 2549

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By virtue of Section 5.4.1, 5.4.4, and 5.7 of the Bank of Thailand Regulation on Repurchase Agreement B.E. 2549, the Bank of Thailand prescribed the operating time for the operation of repurchase transactions as follows:

Operation	Period
1. The Bank of Thailand starts operation on repurchase transactions	Between 15.30 – 16.30 p.m.
2. Members place trading orders to purchase or sell debt instruments	
3. Members submit the Notified Letter for Performing Repurchase Transaction (notified for the trading of debt instruments)	Within 10.30 a.m. of the next business day
4. Members perform repurchase or reverse repurchase transactions	Within 16.30 a.m. of the repurchase or reverse repurchase date (trade date)

This notification shall be in force from 15th May B.E. 2549 onwards.

Announced on 27th April B.E. 2549.

(M.R. Pridiyathorn Devakula)
Governor
Bank of Thailand

The Notification of the Bank of Thailand
Re: Charge/Fine for members who do not comply with the agreement
under the Bank of Thailand Regulation on Repurchase Agreement B.E. 2549

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By virtue of Section 5.5 and 5.6 of the Bank of Thailand Regulation on Repurchase Agreement B.E. 2549, the Bank of Thailand prescribed the charge/fine for members who do not act on the aforementioned Bank of Thailand Regulation in the following items:

Fail to comply	Charge/Fine
1. Do not submit or delay the Notified Letter for performing repurchase transactions within time limit	The rate of return at the purchase or sale x number of days starting from the trade date to the submit date of the Notified Letter of the total trading amount
2. Inadequate amount in current accounts to be debit for the purchasing debt instruments	The rate of return at the purchase x 1-day of total agreed amount
3. Inadequate amount of debt instruments for sale as specified	The rate of return at the sale x 1-day of total agreed amount
4. Inadequate amount in current accounts to be debit on the date of repurchase and at the end of repurchase right	At the rate of 0.01% of the total amount at sale

This notification shall be in force from 15th May B.E. 2549 onwards.

Announced on 27th April B.E. 2549.

(M.R. Pridiyathorn Devakula)
Governor
Bank of Thailand

The Notification of the Bank of Thailand
Re: Valuation of Debt Instruments in case members do not repurchase
debt instruments under the Bank of Thailand Regulation on
Repurchase Agreement B.E. 2549

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By virtue of Section 5.7.1 of the Bank of Thailand Regulation on Repurchase Agreement B.E. 2549, the Bank of Thailand shall conduct the valuation of debt instruments in case that members sell debt instruments and do not repurchase them back in the following criteria:

Type of Debt Instruments	Market Value ^{1/} of debt instruments at the end of the day before the due date for repurchase
1. Government bond and BOT bond	At the rate of 98.5 percent of market value
2. State enterprise bond	At the rate of 97.0 percent of market value
3. Treasury Bill and Bills of exchange on debt restructuring	At the rate of 99.5 percent of market value

^{1/} The market value published by the ThaiBMA is calculated using the formula of debt instruments valuation prescribed by the BOT. The rate of return at the end of the day where the BOT purchase debt instruments is used in the case that delivery is made on the date that the BOT seizes debt instruments (in case that the rate of return at the end of the day before can not be found, the rate of return on the current/last date can be used instead). In case there is no market value published by ThaiBMA, the market values is calculated according to the methods prescribed by the BOT on the BOT website.

This notification shall be in force from 15th May B.E. 2549 onwards.

Announced on 27th April B.E. 2549.

(M.R. Pridiyathorn Devakula)
Governor
Bank of Thailand

THE BANK OF THAILAND

The Bank of Thailand Regulation on End of Day Facility B.E. 2549

1. Statutory Power

By virtue of the provisions of Section 5, Section 28 and Section 40 of the Bank of Thailand Act B.E. 2485 and the amendments thereof and Articles 12(10), (10 bis) and (10 ter) of the Royal Decree Regulation the Affairs of the Bank of Thailand B.E. 2485 and the amendments thereof.

2. Repeal / Amendment

The Bank of Thailand Regulation on End of Day Facility B.E. 2544 and the amendments thereof shall be repealed.

3. Rationale

The Bank of Thailand (BOT) considers appropriate to amend the Bank of Thailand Regulation on End of Day Facility B.E. 2544 and the amendments thereof in order to support the development of centralization of Securities Depository and the Clearing and Settlement System of government and private debt instruments at Thailand Securities Depository Co.,Ltd under the Bond Development Plan Phase 2 (B.E. 2548 – 2557) of the Ministry of Finance.

4. Definition

Under this Regulation,

“BOT” means the Bank of Thailand

“Members” means

- (1) Commercial banks in accordance with the laws governing commercial banks.
- (2) Finance companies and credit foncier companies in accordance with the laws governing financial business, securities business and credit foncier business and.
- (3) Other financial institutions and state enterprises as prescribed by the BOT.

“Securities Depository” means Thailand Securities Depository Co., Ltd or other organizations established by the Stock Exchange of Thailand or approved by the Securities and Exchange Commission to engage in a securities depository and withdrawal center.

“Debt instruments” means debt instruments as prescribed by the BOT e.g. treasury bills, bills of exchange on debt restructuring, government bonds, BOT bonds and bonds or debentures issued by government organizations or state enterprises or financial institutions established under any specific laws. Where;

- (1) The BOT acts as a registrar and a settlement agent.
- (2) Debt instruments are underlying instruments in end of day facility that members assign the BOT to be a custodian. Members deposit such debt instruments in the BOT-RP account at the Securities Depository.

“BOT-RP account” means debt instruments account that the BOT opens with the Securities Depository as the BOT holds debt instruments on behalf of the members for end of day facility purpose.

“Current account” means the current accounts that members open with the BOT.

5. Contents

- 5.1 The BOT shall consider purchase debt instruments (provide end of day facility) from members commit to engage in repurchase agreements in the following cases:
 - (1) The BOT shall purchase debt instruments at bid price prescribed by the BOT
 - (2) The BOT shall charge rate of return on debt instruments trading based on the rate prescribed by the BOT
 - (3) The BOT shall purchase debt instruments at the bid amount not less than 1 million baht with the rounding of 1 million baht.
- 5.2 The BOT reserves the rights not to purchase debt instruments from member if necessary.

- 5.3 Members wish to apply this regulation must:
- (1) Make the Letter of Agreement in the form prescribed by the BOT.
 - (2) Make a Letter of Power of Attorney to permit other person to act on behalf of members to contact with the BOT via telephone and to sign the confirmation document of the sale of debt instruments in the form prescribed by the BOT.
 - (3) Make a Letter of Permission for debit and credit current accounts for the BOT in the form prescribed by the BOT.
 - (4) Make a Letter of Delegation to the BOT to engage in end of day facility transaction.
 - (5) Deposit debt instruments that members have the legal title on and without any repurchase obligation according to the Bank of Thailand Regulation on Repurchase Agreement B.E. 2549 and the amendments thereof.
- 5.4 Where members would like to engage in selling debt instruments, for each transaction, members must comply with the following process.
- (1) Members shall call the BOT to inform the intention and the rationale of such selling on the selling date within the time and condition prescribed by the BOT.
 - (2) Members shall submit Notified Letter for Performing Repurchase Transaction in the form prescribed by the BOT on the next business day within the time prescribed by the BOT.
 - (3) Members sell debt instruments in the condition following clause 5.1.
 - (4) Members shall permit the BOT to allocate their debt instruments that deposit at the BOT for such transactions.
 - (5) Members shall repurchase debt instruments in the price equal to the sum of the bid prices of the BOT and the rate of return on debt instruments trading following clause 5.1 (2) as prescribed by the BOT.
 - (6) Members shall repurchase debt instruments on the next business day. The aforementioned process shall comply with the timeframe prescribed by the BOT. The BOT shall debit current account of the member who performs repurchase transaction immediately when shows the intention.
- 5.5 The legal title shall be transferred to the BOT. The BOT shall credit member's current accounts on the purchasing date and debit such account on the settlement date of repurchase transactions.

- 5.6 Members who sell debt instruments and commit to repurchase according to this Regulation are beneficiaries of the coupon on the debt instruments.
- 5.7 Where the amount in current accounts is insufficient to debit for the settlements of repurchase transactions within the time prescribed by the BOT, the repurchase agreements with the BOT are voided.
- 5.8 If members fail to repurchase debt instruments following clause 5.4 (6) and 5.7, the BOT shall seize such debt instruments and proceed the following actions:
 - (1) Calculate the value of underlying debt instruments that members fail to repurchase according to the Regulation prescribed by the BOT.
 - (2) Credit or debit members' current accounts in case there is the difference between the settlement amount (repurchasing price) and the value of debt instruments calculated following clause 5.7.1.
- 5.9 The BOT shall fine members where appropriate if members fail to repurchase debt instruments following clause 5.8. Such fine rate must not exceed the amount prescribed by the BOT.
- 5.10 The BOT may refuse to purchase debt instruments according to this Regulation from members temporarily or permanently in case members override this Regulation or other BOT' s Regulations and/or proceed any actions that inconsistent with and/or have negative impacts on authorities' guidelines in conducting the monetary policy and exchange rate policy and/or in establishing monetary system stability.
- 5.11 The BOT reserves rights to amend, add, or modify Regulations, Notifications or relevant documents prescribed in this Regulation with advance notices to members.
- 5.12 Clarification according to Regulations, Notifications or Requirements issued according to this Regulation is subjected to the approval of the BOT.

6. Transitory Provision

The Bank of Thailand Regulation on End of Day Facility B.E. 2544 and the amendments thereof shall be complied in the following cases.

- (1) End of Day Facility agreements have been executed under the Bank of Thailand Regulation on End of Day Facility B.E. 2544 and shall continue until members fulfill all obligations under the agreements.
- (2) Changes of the Securities Depository system to support the establishment of the Central Securities Depository have not yet finished.

Effective Date: From 15th May B.E. 2549 onwards.

Announced Date: 27th April B.E. 2549

[signed]

(M.R. Pridiyathorn Devakula)
Governor
The Bank of Thailand

Letter of Agreement

Date.....

I....., hereby state that I acknowledge and understand thoroughly the statements under the Bank of Thailand Regulation on End of Day Facility B.E. 2549.

I wish to be beneficial under this Regulation. I agree to bind myself to all Regulations and Stipulation issued under said Regulation, which is currently in force, and the future amendments.

I agree to bind myself to the Bank of Thailand and I shall not revoke the agreement stated herein this letter, except under consent in writing by the Bank of Thailand.

Signed.....

(.....)

Authorized Signatory

For.....

Duty Stamp

Power of Attorney

Date.....

Pursuant to my Letter of Agreement, I....., dated.....agree to bind myself to the Bank of Thailand Regulation on End of Day Facility B.E. 2549 and its future amendments which is currently in force, and the future amendments.

To be able to sell debt instruments to the BOT under the aforementioned Regulation, I hereby entrust persons, as listed below, to act on my behalf in the following businesses:

- (1) Contact the BOT via telephone to engage in selling debt instruments and to receive the confirmation document from the BOT and
- (2) Sign the confirmation document of End of Day Facility from now and onwards until changes have been notified in writing in advance.

Any action performed by the entrusted persons shall be deemed to have been performed by myself in all respects, and I shall not revoke the power conferred under this letter, except under inclusion or changes in the persons, entrusted by myself, which will be notified in writing to the Bank of Thailand in advance.

Signed.....

(.....)
Authorized Signatory

For.....

<u>Name/Surname</u>	<u>Signature Specimens</u>	<u>Position</u>	<u>Conditions</u>	<u>Telephone Number</u>
1.....
2.....
3.....

Remark Signed by the Authorized Signatories as certified by the Ministry of Commerce, attached with duty stamps (Baht 30 each).

Letter of Permission for debit and credit the current account

Date.....

Subject: Permission for the Bank of Thailand to debit and credit the current account

To Director of Financial Risk Management and Operations
Bank of Thailand

For benefits of selling debt instruments under the Bank of Thailand Regulation on End of Day Facility B.E. 2549 and the amendments thereof, I,....., hereby grant the permission for the BOT to do the following businesses:

1. Credit my current account held at the BOT, Account Number, for the receipt of sell/resell debt instruments.
2. Debit my current account held at the BOT, Account Number, for the payment of purchase/repurchase the debt instruments or of the fines.
3. Debit or credit my current account held at the BOT for payment or receipt of the difference amount between underlying debt instruments seized as collateral and repurchase amount in the case that members fail to fulfill the obligation to repurchase the debt instruments.

I agree to bind myself to the Bank of Thailand and I shall not revoke the agreement stated herein this letter, except under consent in writing by the Bank of Thailand.

Sincerely Yours,

Signed.....

(.....)

Authorized Signatory

For.....

Notified Letter for Performing Repurchase Transaction

Date.....

To Director of Financial Risk Management and Operations
 Bank of Thailand

No...../.....Re: Notification of Selling Debt Instruments

Referring to my conversation I....., by
..... have informed the Bank of Thailand via the telephone on
.....that I would sell debt instruments under the Bank of Thailand
Regulation on End of Day Facility B.E. 2549. The Bank of Thailand shall be
deemed to purchase debt instruments from me for the amount of
.....Baht (.....) and I shall repurchase such
debt instruments from the BOT at the specified price which is the sum of the
selling price and the return amount in the rate ofpercent per year of
the selling price. I shall repurchase within 1 day and I have already received the
notified letter from the Bank of Thailand.

I hereby notify the aforementioned repurchase transaction and I shall
perform under this Regulation in all respects.

Sincerely Yours,

Signed.....

(.....)

Authorized Signatory

For.....

Letter of Delegation to the Bank of Thailand
to Perform End of Day Facility Transactions

Date.....

I....., hereby agree to bind myself and to be the beneficial under the Bank of Thailand Regulation on End of Day Facility B.E. 2549 and the amendments thereof. I shall delegate all my power to the Bank of Thailand to handle my debt instruments which deposit under the Bank of Thailand account with the Thailand Securities Depository, Co.,Ltd. or other depository centers offering the service of securities depository in the area of custody, transferring, and purchasing or selling securities for the end of day facility transactions.

Any action performed by the Bank of Thailand under this letter shall be deemed to have been performed by myself in all respects, and I shall not revoke the power conferred under this letter, except under consent in writing by the Bank of Thailand.

The aforementioned letter of delegation shall be in force on onwards.

Signed.....

(.....)

Authorized Signatory

For.....

Notification of the Bank of Thailand
Re: Rate of Returns on debt instruments trading with members
for End of Day Facility

.....

By virtue of Section 5.1 (2) of the Bank of Thailand Regulation on End of Day Facility B.E. 2549, the Bank of Thailand shall calculate returns on debt instruments trading following such Regulation at the policy interest rate plus 1.5 percent per annum.

This notification shall be in force from 15th May B.E. 2549 onwards.

Announced on 27th April B.E. 2549.

(M.R. Pridiyathorn Devakula)
Governor
Bank of Thailand

The Notification of the Bank of Thailand
Re: Offer price of the Bank of Thailand in purchasing debt instruments
under the Bank of Thailand Regulation on Repurchase Agreement B.E. 2549

.....

By virtue of Section 5.1 (1) of the Bank of Thailand Regulation on End of Day Facility B.E. 2549, the Bank of Thailand prescribed the condition as follows:

Members place the amount to sell debt instruments. The Bank of Thailand shall purchase debt instruments from members at the market rate discounted by the haircut rate depended upon types of debt instruments and the remaining maturity of debt instruments as follows:

A. In normal case:

Types of Debt Instruments and Maturity	Haircut rate(percent)
<p>Maturity 0 – 1 year</p> <ul style="list-style-type: none"> - Treasury bills, Bills of exchange on debt restructuring, government bonds, BOT bonds, bonds or debentures issued by government organizations or state enterprises or financial institutions established under any specific laws where the BOT acts as a registrar and a settlement agent 	1
<p>Maturity > 1 year</p> <ul style="list-style-type: none"> - Government bonds, BOT bonds - Bonds or debentures issued by government organizations or state enterprises or financial institutions established under any specific laws where the BOT acts as a registrar and a settlement agent 	4 4.5

B. In case of debt instruments with periodically coupon payment, if closing date of the register book is in between an agreement period (counted from the day after the agreement date to the due date), the haircut rate used in this case is the haircut rate in the normal case plus coupon rate in that period in terms percentage of the market price of such debt instruments.

This notification shall be in force from 15th May B.E. 2549 onwards.

Announced on 27th April B.E. 2549.

(M.R. Pridiyathorn Devakula)
Governor
Bank of Thailand

The Notification of the Bank of Thailand
Re: Operating time of members for End of Day Facility transaction
under the Bank of Thailand Regulation on End of Day Facility B.E. 2549

.....

By virtue of Section 5.4 of the Bank of Thailand Regulation on End of Day Facility B.E. 2549, the Bank of Thailand prescribed the operating time for the operation of repurchase transactions as follows:

Members' Operation	Period
1. Inform the intention to sell debt instruments	Between 17.00 – 17.30 p.m. of the selling date except where the BOT consider appropriate to extend the time
2. Submit Notified Letter for Performing Repurchase Transaction (notified for the sale of debt instruments)	Within 10.30 a.m. of the next business day
3. Repurchase debt instruments	Within 12.00 a.m. of the next business day

This notification shall be in force from 15th May B.E. 2549 onwards.

Announced on 27th April B.E. 2549.

(M.R. Pridiyathorn Devakula)
Governor
Bank of Thailand

The Notification of the Bank of Thailand
Re: Charge/Fine for members who do not comply with the agreement
under the Bank of Thailand Regulation on End of Day Facility B.E. 2549

.....

By virtue of Section 5.4 (2) and 5.9 of the Bank of Thailand Regulation on End of Day Facility B.E. 2549, the Bank of Thailand prescribed the charge/fine for members who do not act on the aforementioned Bank of Thailand Regulation in the following items:

Fail to comply	Charge/Fine
1. Do not submit or delay a Notified Letter for performing repurchase transactions within time limit	The rate of return at the sale x number of days starting from trade date to submit date of notified letter of the total trading amount
2. Inadequate amount in the current account to be debit on the date of repurchase and at the end of repurchase right	At the rate of 0.01% of the total amount at sale

This notification shall be in force from 15th May B.E. 2549 onwards.

Announced on 27th April B.E. 2549.

(M.R. Pridiyathorn Devakula)
Governor
Bank of Thailand

The Notification of the Bank of Thailand
Re: Valuation of Debt Instruments in case members do not repurchase
debt instruments under the Bank of Thailand Regulation on
End of Day Facility B.E. 2549

.....

By virtue of Section 5.8 of the Bank of Thailand Regulation on End of Day Facility B.E. 2549, the Bank of Thailand shall conduct the valuation of debt instruments in case that member sells debt instruments and does not repurchase them back in the following criteria:

Type of Debt Instruments	Market Value ^{1/} of debt instruments at the end of the repurchasing day
1. Government bond and BOT bond	At the rate of 98.5 percent of market value
2. State enterprise bond	At the rate of 97.0 percent of market value
3. Treasury Bill and Bills of exchange on debt restructuring	At the rate of 99.5 percent of market value

^{1/} The market value published by the ThaiBMA is calculated using the formula of debt instruments valuation prescribed by the BOT. The rate of return at the end of the day where the BOT purchase debt instruments is used in the case that delivery is made on the date that the BOT seizes the debt instruments (in case that the rate of return at the end of the day before can not be found, the rate of return on the current/last date can be used instead). In case there is no market value published by ThaiBMA, market values is calculated according to the methods prescribed by the BOT on the BOT website.

This notification shall be in force from 15th May B.E. 2549 onwards.

Announced on 27th April B.E. 2549.

(M.R. Pridiyathorn Devakula)
Governor
Bank of Thailand