



## **BANK OF THAILAND NEWS**

Communications and Relations Office, Management Assistance Department  
Tel. 0-2283-5016-7 FAX 0-2281-5648 www.bot.or.th

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### **Rules regarding compensation to depositors due to bank's branch closure**

Bank of Thailand (BOT) has issued the circular Re: Rules regarding compensation to depositors due to bank's branch closure, to replace the previous circular. Objective of these rules remains unchanged, that is to protect fixed depositors whose accounts have not reached maturity on the date that the branch closes its operation. BOT has amended the rules regarding compensation to depositors, who transfer their fixed accounts to other bank with lower interest rate. Closing branch is liable to compensate such depositors the difference of interest paid as if deposit has reached maturity. Compensation is calculated as follows:

1) In case of depositors transfer their deposits into savings or fixed account to other bank, closing branch shall use an interest rate paid on the same type of fixed account by new bank to calculate the compensation.

2) In case of depositors decide not to deposit with any bank at all, closing bank shall use the reference interest rate paid on the same type of fixed account as announced by BOT to calculate the compensation.

As such, the closing branch must inform its customers of these rules in details.

**Bank of Thailand**

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