

Unofficial Translation

This translation is for convenience of those unfamiliar with Thai language.

Please refer to the Thai text for the official version.

The Notice of the Competent Officer

Re: Rules and Practices regarding Treasury Centers

By virtue of the power conferred in Article 7, Article 16, Article 20 of the Ministerial Regulations No.13 (B.E. 2497) issued under the Exchange Control Act B.E. 2485 and the amendments thereafter; Clause 10, Clause 11, Clause 14, Clause 15, and Clause 16 of the Notification of the Ministry of Finance Re: Directions of the Minister to Authorized Persons dated 31 March 2004 and the amendments thereafter; and Clause 1, Clause 2, Clause 3, and Clause 4 of the Notification of the Ministry of Finance Re: Directions of the Minister to Treasury Centers dated 30 June 2004 and the amendments thereafter, the Competent Officer gives a notice as follows:

Clause 1. The following notices are cancelled:

- (1) The Notice of the Competent Officer Re: Rules and Practices regarding Treasury Centers dated 5 July 2004
- (2) The Notice of the Competent Officer Re: Rules and Practices regarding Treasury Centers (No. 2) dated 1 August 2006

Clause 2. In this Notification:

“Treasury center” means a person that is authorized to undertake foreign currency management business.

“Conglomerate group” means a group of companies consisting of a parent company, affiliated companies, or companies with related business, or companies with business relationship that entrust treasury centers to manage foreign currencies on their behalf, according to the rules and practices prescribed by the Competent Officer.

“Company” means a limited company, and a limited public company.

“Business network” means a parent company, and affiliated companies.

“Parent company” means a company that holds shares in a subsidiary company more than 50 percent of total equity or total shares, or a company that holds shares in an associated company more than 10 percent but not more than 50 percent of total equity or total shares, the proportion of shareholding counted per company.

“Affiliated company” means a subsidiary of a parent company and an associate of a parent companies and shall include a branch of a parent company, a subsidiary, and an associate.

“Subsidiary” means:

- (a) A company that has another company as a parent company that is not associate, or
- (b) A subsidiary of the company under (a) in all levels.

“Associate” means:

- (a) A company that has another company as a parent company that is not a subsidiary, or
- (b) A company that has a subsidiary as a parent company that is not a subsidiary, or
- (c) A subsidiary of the company under (a) or (b) in all levels

“Company undertaking financial business” means:

- (1) An authorized juristic person,
- (2) A finance company, a credit foncier company, a retail bank, or a special financial institution under Financial Institution Business Act,
- (3) A securities company under the Securities and Exchange Act,
- (4) A life insurance company and non-life insurance company under the Life Insurance Act and the Non-Life Insurance Act.

“Overseas company or overseas branch” means an overseas company or overseas branch that is in the same business network as a company undertaking treasury center business and a conglomerate group.

“Foreign currency account of group companies in Thailand” means foreign currency accounts of each company in conglomerate groups in Thailand according to Clause 23 of the Notification of the Competent Officer Re: Rules and Practices regarding Currency Exchange dated 31 March 2004 and the amendments thereafter.

“Non-residents Baht account” means a non-resident Baht account for general purposes (NRBA) according to Clause 35/3 of the Notification of the Competent Officer Re: Rules and Practices regarding Currency Exchange dated 31 March 2004 and the amendments thereafter.

“Obligation”¹ means an obligation to pay for the purposes according to Clause 11 of the Notification of Ministry of Finance Re: Directions of the Minister to Authorized Agents dated 31 March 2004 and the amendments thereafter. This shall also include overseas investments, investments in securities denominated in foreign currencies issued and distributed domestically, loans, and the amount paid to conglomerate groups in Thailand or Thai residents that are counterparties of overseas conglomerate groups in the case where treasury centers invest abroad, invest in securities denominated in foreign currencies issued and distributed domestically, or grant loans or make payments to conglomerate groups in Thailand or Thai residents that are counterparties, according to the scope of business undertaking of treasury centers.

Clause 3. Treasury centers shall have the following qualifications:

(1) Shall be locally incorporated companies that are not companies undertaking financial business;

(2) Shall be in the same business network as conglomerate groups for which treasury centers manage foreign currencies on their behalf;

(3)² Shall manage foreign currencies for conglomerate groups that have the following qualifications and meet the following conditions:

(3.1) Conglomerate groups comprising of at least 3 companies that are registered and have operational offices in Thailand or in the Socialist Republic of Vietnam or in the countries bordering Thailand, or

(3.2) Conglomerate groups comprising of at least 2 companies that are registered and have operational offices in Thailand; where such companies shall have companies that are registered and have operational offices overseas or have overseas branches in at least 2 countries and such companies or branches shall be in the same business network as conglomerate groups and companies undertaking treasury center business;

Companies in conglomerate groups according to Clause (3.1) or (3.2) shall undertake import or export business, international trade or service business or business of holding companies and shall not be companies undertaking financial business.

In the case where conglomerate groups fully meet qualifications and conditions as prescribed according to Clause (3.1) or (3.2), treasury centers are additionally permitted to manage foreign currencies to conglomerate groups that are overseas branches

¹ The definition of “Obligation” amended by Notice of the Competent Officer Re: Rules and Practices regarding Treasury Centers (No.3)

² Clause 3 (3) amended by Notice of the Competent Officer Re: Rules and Practices regarding Treasury Centers (No.2)

and are in the same business network as companies undertaking treasury center business and the conglomerate groups.

The management of foreign currencies of treasury centers shall not cover the management of foreign currencies for conglomerate groups that are companies with related businesses or companies with business relationship.

In the case where conglomerate groups do not meet the aforementioned qualifications, application letters seeking for permission shall be submitted to the Competent Officer on a case by case basis.

(4) Shall manage foreign currencies for conglomerate groups that have total value of international goods or services of such conglomerate groups at an appropriate level.

In the case where companies undertaking treasury center business also undertake other businesses, such companies shall clearly and separately record financial transactions of treasury centers from those of other businesses.

Clause 4. Companies wishing to undertake treasury center business shall submit applications to the Minister through the Bank of Thailand together with related documents. The application shall contain 2 copies of the following documents:

1) Application for seeking permission to undertake treasury center business in prescribed forms by indicating the following details:

(1.1) Objectives of the undertaking of treasury center business and business scopes of treasury centers,

(1.2) Diagrams indicating structures and proportion of shareholdings of companies wishing to undertake treasury center business, conglomerate groups, and companies or branches that are in the same business network as companies wishing to undertake treasury center business and conglomerate groups,

(1.3) Name lists and letters of consent of conglomerate groups that entrust the treasury centers to manage foreign currencies on their behalf,

(1.4) Name lists of overseas conglomerate groups, or overseas companies or overseas branches that are in the same business network as companies wishing to undertake treasury center business and conglomerate groups that treasury centers intend to grant loans for,

(1.5) Information on value of international goods or services of conglomerate groups in the previous year.

(2) Photocopies of certificate of registered capital of companies wishing to undertake treasury center business and conglomerate groups or official documents indicating the status of being branches in the case where conglomerate groups are overseas branches,

(3) Photocopies of memorandum of association and shareholder list of companies wishing to undertake treasury center business,

(4) Photocopies of memorandum of association and shareholder list of conglomerate groups,

(5) Most recent financial statements that are audited by auditors of overseas conglomerate groups and overseas companies or branches that are in the same business network as companies wishing to undertake treasury center business and conglomerate groups that treasury centers intend to grant loans for,

(6) Other supporting documents that the Competent Officer deems appropriate.

In the case where there is any necessity that makes companies wishing to undertake treasury center business cannot submit documents stated under the first paragraph, the Competent Officer has power to request for submission of other documents or to not request for submission of any document as deems necessary and appropriate.

The submission of applications stated under the first paragraph shall be done through the Bank of Thailand, Head Office, Bangkok.

Clause 5. The Competent Officer may propose to the Minister to refuse permission for, revoke, or not to renew the permit under the following causes:

(1) The Competent Officer has any suspicion or any reason to believe that a company wishing to undertake treasury center business or a treasury center take any of the following actions:

(1.1) Fails to comply with or violates the Exchange Control Laws, regulations, orders or notifications issued under such law,

(1.2) Other causes the Competent Officer deems appropriate,

(2) Companies wishing to undertake treasury center business or treasury centers do not meet qualifications stated in the Notification of the Ministry of Finance Re: Directions of the Minister to Treasury Centers dated 30 June 2004 and the amendments thereafter, this Notice, or permission letters of the Competent Officer approved by the Minister,

(3) Companies undertaking treasury center business operate the business or other businesses in such a way that may affect economic and financial stability,

In the case where the Minister orders to revoke or not to extend licenses of such treasury centers, the owners or managers shall return the licenses to the Competent Officer

within 15 days after the treasury centers receive such orders to revoke or not to extend the licenses.

Clause 6.³ In undertaking treasury center business, treasury centers shall comply with the following rules and practices:

(1) Purchase of obligations or invoices and acting as agents in paying or receiving funds:

(1.1) Treasury centers are permitted to purchase obligations to pay for goods or services, or purchase invoices to collect payments for international goods or services in foreign currencies from conglomerate groups, or act as agents of conglomerate groups in receiving funds according to invoices of goods or services or paying funds according to obligations to pay for international goods or services in foreign currencies. Payments between treasury centers and conglomerate groups are allowed in foreign currencies or Baht, and payments between treasury centers and counterparties of their own or of such conglomerate groups are allowed in foreign currencies or Baht.

In the case where the payments to overseas conglomerate groups or counterparties are made in Baht, treasury centers are allowed to deposit Baht into Non-resident Baht accounts of the conglomerate groups, the counterparties or banks receiving funds for such conglomerate groups or counterparties.

Payments for international goods or services under the first paragraph refers to the followings:

(a) Payments for goods or services between conglomerate groups in Thailand and overseas counterparties,

(b) Payments for goods or services between overseas conglomerate groups and counterparties in Thailand,

(c) Payments for goods or services between overseas conglomerate groups and overseas counterparties.

(1.2) Treasury centers are allowed to act as agents of conglomerate groups in receiving or paying foreign currency returns from investments, borrowing or lending, such as dividends or interests according to relevant documents. Payments between treasury centers and conglomerate groups are allowed in foreign currencies or Baht, and payments between treasury centers and counterparties of such conglomerate groups are allowed in foreign currencies or Baht.

³ Clause 6 amended by Notice of the Competent Officer Re: Rules and Practices regarding Treasury Centers (No.3)

In the case where the payments to overseas conglomerate groups or counterparties are made in Baht, treasury centers are allowed to deposit Baht into Non-resident Baht accounts of the conglomerate groups, the counterparties or banks receiving funds for such conglomerate groups or counterparties.

Foreign currency returns under the first paragraph refers to the followings:

- (a) Returns between conglomerate groups in Thailand and counterparties who are overseas juristic persons,
- (b) Returns between overseas conglomerate groups and counterparties who are juristic persons in Thailand,
- (c) Returns between overseas conglomerate groups and counterparties who are overseas juristic persons.

(2) Netting of income or obligations:

Treasury centers are permitted to net income or obligations under the following cases:

- (2.1) Income from or obligations to pay for international goods or services in foreign currencies of conglomerate groups that treasury centers operate as agents of conglomerate groups in paying or receiving funds according to Clause 6 (1.1);
- (2.2) Income or obligations which are foreign currency returns from investments, borrowing or lending, such as dividends or interests, of conglomerate groups for which that treasury centers operate as agents in paying or receiving funds according to Clause 6 (1.2);
- (2.3) Income or obligations of treasury centers under the scope of treasury center business .

Payments between treasury centers and counterparties or conglomerate groups after netting shall be in compliance with Clause 6 (1).

(3) Purchase, sale, or exchange of foreign currencies and management of exchange rate risk:

- (3.1) Treasury centers are permitted to sell foreign currencies to authorized juristic persons in all cases;
- (3.2) Treasury centers are permitted to purchase foreign currencies from or exchange foreign currencies with authorized juristic persons for treasury centers or for conglomerate groups. However, the undertaking shall be conducted with the objective to manage foreign currencies according to Clause 6 as follows:

- (a) Paying obligations of their own or of conglomerate groups,

- (b) Selling or exchanging with conglomerate groups,
- (c) Depositing foreign currencies with overseas financial institutions,

In purchasing foreign currencies from or exchanging foreign currencies with authorized juristic persons for investment in securities abroad denominated in foreign currencies or securities denominated in foreign currencies issued and distributed domestically according to Clause 6 (4.6) or deposit with authorized juristic persons according to Clause 7 paragraph 1 (1.2) without underlying obligations, treasury centers are allowed to purchase or exchange foreign currencies for such purposes in an amount not exceed USD 500 million or equivalent per year.

(3.3) Treasury centers are permitted to undertake derivatives transactions to manage exchange rate risk with authorized juristic persons for treasury centers or for conglomerate groups. In case of undertaking derivatives transactions for the payment or receipt of value of goods or services, treasury centers are allowed to undertake such derivatives based on projections of income or obligations in foreign currencies of conglomerate groups in 1 year period.

Treasury centers shall be able to extend, not to extend, or cancel derivatives transactions according to rules, conditions, and practices prescribed by the Competent Officer.

To extend, not to extend, or to cancel derivatives transactions, treasury centers may do so with authorized juristic persons that are existing counterparties or new counterparties and shall not do so for the purpose of exchange rate speculation. In case of nettings and payments or receipts on difference, such nettings and payments or receipts shall be in Baht.

(3.4) For the purchase, sale, and exchange of foreign currencies between treasury centers and conglomerate groups in Thailand, exchange rates shall be mutually agreed and they shall be in line with the average rates at which authorized juristic persons purchase foreign currencies from and sell foreign currencies to customers, the rates published by the Bank of Thailand. In addition, treasury centers shall comply with the followings:

(a) Purchases of foreign currencies from conglomerate groups in Thailand are permitted to be done in all cases,

(b) In selling or exchanging foreign currencies with conglomerate groups in Thailand, the sale or exchange of foreign currencies shall not exceed the amount stated in documents of obligations in foreign currencies or limits prescribed in the Notice of the Competent Officer Re: Rules and Practices regarding Currency Exchange dated 31 March 2004 and the amendments thereafter, *mutatis mutandis*.

On this, conglomerate groups in Thailand are permitted to receive foreign currencies from or pay foreign currencies to treasury centers according to (a) and (b).

(3.5) For the purchase, sale, and exchange of foreign currencies between treasury centers and overseas conglomerate groups, exchange rates shall be mutually agreed and they shall be in line with the average rates at which authorized juristic persons purchase foreign currencies from and sell foreign currencies to customers, the rates published by the Bank of Thailand. In addition, treasury centers shall comply with the followings:

(a) In purchasing foreign currencies and paying Baht to conglomerate groups in the Socialist Republic of Vietnam and countries bordering Thailand, treasury centers shall examine the purpose of use of Baht which shall be for trade or investments in Thailand, the Socialist Republic of Vietnam, and countries bordering Thailand only. On this, the conglomerate groups in the Socialist Republic of Vietnam and countries bordering Thailand are permitted to deposit Baht purchased from treasury centers for the aforementioned purpose into non-resident Baht accounts of the followings:

1. Counterparties or investees that are in the Socialist Republic of Vietnam and countries bordering Thailand,
2. Conglomerate groups in the Socialist Republic of Vietnam and countries bordering Thailand that purchase foreign currencies,
3. Banks in the Socialist Republic of Vietnam and countries bordering Thailand that are receivers of funds for the persons stated in 1. or 2.

(b) In selling or exchanging foreign currencies with overseas conglomerate groups, treasury centers shall examine sources of Baht that are sold. If they are from non-resident Baht accounts or Baht that are received from the payment of goods or services from counterparties in Thailand, treasury centers are permitted to undertake such transaction.

(4) Management of liquidity:

(4.1) Treasury centers are permitted to borrow foreign currencies from authorized juristic persons in all cases.

(4.2) Treasury centers are permitted to borrow foreign currencies from or lend foreign currencies to conglomerate groups in Thailand and such conglomerate groups are permitted to pay or receive foreign currencies from treasury centers.

(4.3) Treasury centers are permitted to borrow from overseas juristic persons but shall be in foreign currencies only except in the case of borrowing of funds from juristic persons in the Socialist Republic of Vietnam and countries bordering Thailand where treasury centers are permitted to borrow in foreign currencies or Baht.

(4.4) Treasury centers are permitted to issue and distribute securities denominated in foreign currencies domestically and abroad to raise funds. In case of issuing and distributing securities denominated in foreign currencies domestically, prior approval from the Competent Officer is needed.

(4.5) Treasury centers are permitted to lend to overseas juristic persons or overseas companies or branches but shall be in foreign currencies only.

However, in case of lending to overseas conglomerate groups or overseas companies or branches that are in the Socialist Republic of Vietnam and countries bordering Thailand for the purposes of trade or investments in Thailand, the Socialist Republic of Vietnam, and countries bordering Thailand, treasury centers are permitted to lend Baht and treasury centers are permitted to deposit the Baht funds to be lent for the aforementioned purposes into non-resident Baht accounts of the following non-residents:

(a) Counterparties or investees that are in the Socialist Republic of Vietnam and countries bordering Thailand,

(b) Overseas conglomerate groups or overseas companies or branches that are in the Socialist Republic of Vietnam and countries bordering Thailand that borrow funds from treasury centers,

(c) Banks in the Socialist Republic of Vietnam and countries bordering Thailand that are receivers of funds for the persons stated in (a) or (b),

(4.6) Treasury centers are permitted to deposit foreign currencies with overseas financial institutions or to invest in overseas debt securities denominated in foreign currencies or securities denominated in foreign currencies issued and distributed domestically, but the remaining maturities of such debt securities shall not exceed 1 year. On this, average monthly outstanding of such deposits and investments shall aggregately not exceed USD 500 million or the equivalent at market rates.

(4.7) Treasury centers are permitted to deposit foreign currencies with authorized juristic persons and shall comply with rules stated in Clause 7.

On this, treasury centers are permitted to pay obligations arising from undertaking the treasury center business.

Clause 7.⁴ Treasury centers shall open foreign currency accounts with authorized juristic persons for the treasury centers business only. Also, treasury centers shall separate such deposit accounts from deposit accounts for other businesses of companies undertaking treasury center business and shall clearly indicate account names as “For treasury center

⁴ Clause 7 amended by Notice of the Competent Officer Re: Rules and Practices regarding Treasury Centers (No.3)

business”. Such accounts must be opened as foreign currency accounts with funds originating from abroad only. Treasury centers shall notify names of authorized juristic persons maintaining the accounts and account numbers to the Competent Officer. The deposit or withdrawal of foreign currencies in such accounts shall be only for the purposes of management of foreign currencies for treasury centers or for conglomerate groups according to Clause 6 only and treasury centers shall comply with the following rules:

(1) Treasury centers are permitted to deposit foreign currencies under the following cases into foreign currency accounts:

(1.1) Foreign currencies originating from abroad,

(1.2) Foreign currencies that treasury centers purchase, exchange, or borrow from authorized juristic persons,

(1.3) Foreign currencies that are transferred from foreign currency accounts of non-residents,

(1.4) Foreign currencies from investments in securities denominated in foreign currencies issued and distributed locally and returns from such investments,

(1.5) Foreign currencies that are transferred from other foreign currency accounts of treasury centers,

(1.6) Foreign currencies that are transferred from foreign currency accounts of conglomerate groups in Thailand for the settlement between treasury centers and conglomerate groups in Thailand according to Clause 6 (1) and (2),

(1.7) Foreign currencies that are transferred from foreign currency accounts of conglomerate groups in Thailand, the type of the accounts being foreign currency accounts with funds originating from abroad, for the settlement between treasury centers and conglomerate groups in Thailand according to Clause 6 (3.4) and (4.2),

(1.8) Foreign currencies that are transferred from foreign currency accounts of Thai residents that are counterparties of overseas conglomerate groups for the settlement between treasury centers and Thai residents that are such counterparties according to Clause 6 (1) and (2),

(2) Treasury centers are permitted to withdraw foreign currencies from foreign currency accounts for the following purposes:

(2.1) Paying for obligations of their own or of conglomerate groups,

(2.2) Selling or exchanging with conglomerate groups

(2.3) Depositing foreign currencies with overseas financial institutions,

(2.4) Selling or exchanging with authorized juristic persons,

(2.5) Depositing into other foreign currency accounts of treasury centers,

(2.6) Depositing into foreign currency accounts of conglomerate groups in Thailand for the settlement between treasury centers and conglomerate groups in Thailand according to Clause 6 (1), (2), (3.4), and (4.2). On this, in the case where treasury centers sell or exchange foreign currencies with conglomerate groups in Thailand according to Clause 6 (3.4) or lend foreign currencies to conglomerate groups in Thailand according to Clause 6 (4.2), the deposits shall be made to foreign currency accounts of conglomerate groups in Thailand, the type of the accounts being foreign currency accounts with funds originating domestically and with obligations only.

(2.7) Depositing into foreign currency accounts of Thai residents that are counterparties of overseas conglomerate groups for the settlement between treasury centers and Thai residents that are such counterparties according to Clause 6 (1) and (2).

On this, non-residents, conglomerate groups in Thailand, and Thai residents that are counterparties are permitted as follows;

(1.1) Non-residents are permitted to deposit foreign currencies received from treasury centers for payment of obligations of treasury centers or of conglomerate groups into their foreign currency accounts,

(1.2) Overseas conglomerate groups are permitted to deposit foreign currencies received from treasury centers for payment of obligations of treasury centers or of the conglomerate groups and foreign currencies which overseas conglomerate groups purchase or exchange with treasury centers into their foreign currency accounts,

(1.3) Conglomerate groups in Thailand are permitted to deposit foreign currencies transferred from the foreign currency accounts of treasury centers according to Clause 7 paragraph 1 (2.6) under prescribed conditions and are permitted to withdraw the foreign currencies from their own accounts to deposit to the foreign currency accounts of treasury centers according to Clause 7 paragraph 1 (1.6) and (1.7),

(1.4) Thai residents that are counterparties of overseas conglomerate groups are permitted to deposit foreign currencies transferred from the foreign currency accounts of treasury centers according to Clause 7 paragraph 1 (2.7) under prescribed conditions and are permitted to withdraw the foreign currencies from their own accounts to deposit to the foreign currency accounts of the treasury centers according to Clause 7 paragraph 1 (1.8).

Clause 8. Treasury centers, conglomerate groups in Thailand, or counterparties in Thailand are exempted from compliance with Article 16 and Article 20 of the Ministerial Regulations No.13 (B.E. 2497) and the amendments thereafter as follows:

(1) Treasury centers, conglomerate groups in Thailand, or counterparties in Thailand of overseas conglomerate groups are exempted from compliance with Article 16 and Article 20 for the amounts that are netted by treasury centers according to Clause 6 (2),

(2) Conglomerate groups in Thailand are exempted from compliance with Article 16 and Article 20 in the case where treasury centers have purchased invoices of goods or services from such conglomerate groups or are agents of such conglomerate groups in receiving value of goods or services according to Clause 6 (1) and in the case where treasury centers have received netted amounts under nettings according to Clause 6 (2),

(3) Counterparties in Thailand of overseas conglomerate groups are exempted from compliance with Article 16 and Article 20 in the case where treasury centers have purchased obligations to pay for goods or services from overseas conglomerate groups or are agents of such conglomerate groups in paying for goods or services according to Clause 6 (1) and in the case where treasury centers have received netted amounts under nettings according to Clause 6 (2), where treasury centers have already received foreign currencies or Baht from non-resident Baht accounts from overseas conglomerate groups and pay Baht to Thai residents that are counterparties,

(4) Treasury centers that acquire foreign currencies from the undertaking of treasury center business are exempted from compliance with Article 20 in the case where treasury centers pay for obligations of their own or conglomerate groups with such foreign currencies or deposit such foreign currencies with overseas financial institutions, or in the case where treasury centers receive payments in Baht from non-resident Baht accounts.

Clause 9. In recording transactions, examining and keeping documents, and reporting, treasury centers shall comply with the followings:

(1)⁵ Treasury centers shall arrange to have documents on their overseas obligations or foreign currency debts owing to authorized juristic persons or shall examine all of such documents of conglomerate groups in Thailand according to Clause 15 and Clause 16 of the Notice of the Competent Officer Re: Rules and Practices regarding Currency Exchange dated 31 March B.E. 2547 and the amendments thereafter, *mutatis mutandis*, for transactions under the scope of treasury center business such as transactions on purchasing, exchanging, or borrowing foreign currencies with authorized juristic persons; transactions on selling, exchanging, or lending foreign currencies to conglomerate groups in Thailand; transactions on withdrawing funds from foreign currency accounts; and transactions on depositing funds into non-residents Baht accounts or on receiving foreign currencies from

⁵ Clause 9 (1) amended by Notice of the Competent Officer Re: Rules and Practices regarding Treasury Centers (No.2)

overseas and paying such funds for other transactions without selling or depositing with authorized juristic persons,

In the case where treasury centers undertake transactions with authorized juristic person for the purpose of lending to overseas conglomerate groups or overseas companies or branches, treasury centers shall provide Certificates as prescribed by the Competent Officer on yearly basis, instead of providing Certificate according to Clause 15 of the Notification of the Competent Officer Re: Rules and Practices regarding Currency Exchange dated 31 March B.E. 2547 and the amendments thereafter and the authorized juristic persons shall request such certificates from the treasury centers,

(2) In case of netting according to Clause 6 (2), treasury centers shall arrange to have documents indicating sources of their income or obligations or examine such documents of conglomerate groups as the case may be according to Clause 15 and Clause 16 of the Notification of the Competent Officer Re: Rules and Practices regarding Currency Exchange dated 31 March B.E. 2547 and the amendments thereafter, *mutatis mutandis*,

(3)⁶ In the case where treasury centers undertake derivatives transactions for exchange rate risk management with authorized juristic persons for treasury centers or conglomerate groups according to Clause 6 (3.3), treasury centers shall arrange to have documents indicating sources of their income or future foreign currency obligations or examine such documents of conglomerate groups as the case may be. In the case where treasury centers undertake such derivatives transactions based on projections of income or foreign currency obligations of conglomerate groups, treasury centers shall arrange to have documents indicating information on the projection of value of goods or services of conglomerate groups.

In proceeding according to the aforementioned paragraph, if treasury centers undertake derivatives transactions related to exchange rate involving Baht for exchange rate risk management in case of foreign direct investment in companies abroad and receipt of funds from such investment; foreign currency loans granted to overseas companies, overseas conglomerate groups, or overseas companies or branches and repayment of such loans; foreign currency loans borrowed by treasury centers and conglomerate groups in Thailand, both for the case of loans brought into Thailand or loans from the authorized juristic persons, and repayment of such loans; or foreign currency loans borrowed by overseas conglomerate groups and repayment of such loans; treasury centers shall provide Certificates as prescribed by the Competent Officer and the authorized juristic persons shall request such treasury centers to submit the Certificates prior to undertaking such transactions.

⁶ Clause 9 (3) amended by Notice of the Competent Officer Re: Rules and Practices regarding Treasury Centers (No.2)

When treasury centers receive foreign currencies from derivatives transactions, treasury centers shall also arrange to have or examine the documents according to Clause 9 (1).

In the case where treasury centers do not extend or cancel derivatives transactions undertaken with authorized juristic persons for payments or receipts of payments for other purposes not for value of goods or services, foreign direct investment in companies abroad and receipt of funds from such investment; foreign currency loans granted to overseas companies, overseas conglomerate groups, or overseas companies or branches and repayment of such loans; foreign currency loans borrowed by treasury centers and conglomerate groups in Thailand, both for the case of loans brought into Thailand or loans from the authorized juristic persons, and repayment of such loans; or foreign currency loans borrowed by overseas conglomerate groups and repayment of such loans; treasury centers shall arrange to have documents indicating necessity and reasons and other related documents as appropriate.

(4) In the case where treasury centers intend to withdraw foreign currencies from their own foreign currency accounts to deposit into foreign currency accounts of conglomerate groups in Thailand, authorized juristic persons shall request for photocopies of letters of the Competent Officer indicating name lists of conglomerate groups for which treasury centers manage foreign currencies. In the case where conglomerate groups in Thailand withdraw foreign currencies from their foreign currency accounts to deposit into foreign currency accounts of treasury centers, authorized juristic persons shall request for documents indicating that such foreign currency accounts are the accounts of treasury centers which manage foreign currency for them prior to withdrawal,

(5) In the case where treasury centers intend to withdraw foreign currencies from their foreign currency accounts to deposit into foreign currency accounts of Thai residents that are counterparties of overseas conglomerate groups, authorized juristic persons shall request treasury centers to submit invoices of goods or services between overseas conglomerate groups and counterparties in Thailand or certificates confirming that they are the payments in foreign currencies for goods or services between overseas conglomerate groups and counterparties in Thailand. In the case where Thai residents that are counterparties withdraw foreign currencies from their foreign currency accounts to deposit into foreign currency accounts of treasury centers, authorized juristic persons shall request for documents indicating that such deposit accounts are the accounts of treasury centers prior to such transactions,

(6) Treasury centers shall arrange to have documents related to borrowing, lending, purchasing, selling, and exchanging foreign currencies with overseas, as well as overseas deposits or overseas investments as follows –documents related to the borrowings of treasury centers from overseas juristic persons; documents related to lending of treasury

centers to overseas conglomerate groups or overseas companies or branches; documents related to trade or investments of conglomerate groups in the Socialist Republic of Vietnam or in the countries bordering Thailand according to Clause 6 (3.5) (a); documents related to trade or investments of overseas conglomerate groups or overseas companies or overseas branches in the Socialist Republic of Vietnam or in the countries bordering Thailand according to Clause 6 (4.5); and documents related to deposit or investments overseas,

(7) Treasury centers shall orderly, correctly and timely arrange to have audited financial statements of the overseas conglomerate groups and overseas companies or branches to which treasury centers grant loans,

(8) Treasury centers shall, in an orderly, correct, and timely manner, arrange to have records of financial transactions, and clearly separate their own accounts from conglomerate groups, as well as clearly record transactions of treasury centers separately from other businesses,

(9)⁷ Treasury centers shall keep documents on accounting records, transaction records, and documents related to undertaking of treasury center business according to this Notice for not less than 5 years for the examination of the Competent Officer upon request.

In keeping the documents of conglomerate groups according to the aforementioned paragraph which are not certificates for investment or lending abroad according to Clause 15 of the Notification of the Competent Officer Re: Rules and Practices regarding Currency Exchange dates 31 March B.E. 2547 and the amendments thereafter, treasury centers may arrange for conglomerate groups to keep such documents whereas treasury centers must be able to provide such documents for examination by the Competent Officer upon request.

(10) Treasury centers shall prepare reports according to rules and practices prescribed by the Competent Officer.

Clause 10. In the case where treasury centers undertake all types of foreign currency transactions with authorized juristic persons, and in the case where treasury centers deposit Baht into non-resident Baht accounts under the scope of treasury center business, authorized juristic persons shall request treasury centers to submit photocopies of their licenses to undertake treasury center business and shall not request treasury centers to submit documents indicating obligations and Foreign Exchange Transaction Forms except where this Notice requires authorized juristic persons to additionally request.

⁷ Clause 9 (9) amended by Notice of the Competent Officer Re: Rules and Practices regarding Treasury Centers (No.2)

Clause 11.⁸ In the case where there are changes in status of juristic persons or name of companies undertaking treasury business, or companies or branches in conglomerate groups; in the case where there are reductions in number of companies or branches in conglomerate groups, or in the case where there are reductions in scope of treasury center business, treasury centers shall notify such changes to the Competent Officer in written and submit related documents within 15 days after the date of changes in registers or the date of changes as the case may be.

In the case where there are expansion of scope of treasury center business that are not beyond the scope prescribed in the Notification of the Ministry of Finance Re: Directions of the Minister to Treasury Centers dated 30 June B.E. 2547 and the amendments thereafter, treasury centers shall notify such changes to the Competent Officer in written and submit related documents before the date of changes. If the Competent Officer does not issue any objection letter within 15 days from the date of acknowledgment, treasury centers are capable of conducting transactions under the additional scope as notified.

In the case where there are changes in structures and proportions of shareholdings of companies undertaking treasury center business, companies or branches in conglomerate groups, or overseas companies or branches to which treasury centers may grant loans according to Clause 6 (4.5), treasury centers shall arrange to have related documents for examination of the Competent Officer upon request.

Clause 12. Under the following cases, treasury centers shall seek prior approval from the Competent Officer and shall submit related documents according to Clause 4:

- (1) Adding companies or branches in conglomerate groups that entrust treasury centers to manage foreign currencies,
- (2) Adding overseas conglomerate groups, or overseas companies or branches to which treasury centers may grant loans according to Clause 6 (4.5).

Clause 13. In the case where treasury centers manage foreign currencies for other businesses of companies undertaking treasury business which are their own businesses, statements under Clause 3 (3), (4), Clause 4 to Clause 9, and Clause 11 to Clause 12 that are enforced to conglomerate groups in Thailand shall apply *mutatis mutandis* to other businesses of their own. On this, treasury centers shall additionally comply with the following rules:

- (1) According to Clause 4 (1.3), treasury centers shall submit documents indicating delegation or empowerment within companies instead of letters of consent of conglomerate groups,

⁸ Clause 11 amended by Notice of the Competent Officer Re: Rules and Practices regarding Treasury Centers (No.2)

(2) According to Clause 6 (1), treasury centers shall arrange to have documents indicating delegation or empowerment within companies from other businesses to treasury centers instead of purchasing or being agents,

(3) According to Clause 6 (3) and (4), treasury centers shall record transactions between treasury centers and other businesses instead of purchasing, selling, or exchanging foreign currencies, and borrowing or lending,

(4) Treasury centers shall arrange to have clear and separate accounting records and transactions records of treasury centers and other businesses for which treasury centers manage foreign currencies, and shall arrange to have documents related to the records of the aforementioned accounting and transactions in an orderly, correct, and timely manner.

In the case where other businesses of companies undertaking treasury center business other than those in the first paragraph undertake foreign currency transactions with authorized juristic persons including depositing Baht into non-resident Baht accounts, authorized juristic persons shall comply with the Notification of the Ministry of Finance Re: Directions of the Minister to Authorized Persons dated 31 March B.E. 2547 and the amendments thereafter and the Notice of the Competent Officer Re: Rules and Practices regarding Currency Exchange dated 31 March B.E. 2547 and the amendments thereafter.

Clause 13/1.⁹ Treasury centers shall submit a certificate certifying their qualifications in the forms as prescribed by the Competent Officer and provide documents according to Clause 4 (1.2) (1.4) and (1.5) to the Competent Officer before the renewal date of the license every year. Treasury centers shall submit such documents not more than 120 days in advance but not less than 90 days before the renewal date of license for the year.

Clause 14. To undertake any operations that are not in the scope of this Notice, application letters seeking for approval shall be submitted to the Competent Officer prior to the undertaking or on a case by case basis.

Clause 15. This notice shall come into force as from 11th June 2010 onwards.

Given on the 11th June 2010

(Ms. Suchada Kirakul)
Competent Officer

⁹ Clause 13/1 added by Notice of the Competent Officer Re: Rules and Practices regarding Treasury Centers (No.2)

