

(Unofficial Translation) \*  
Notification of the Bank of Thailand  
No. Sor.Ror.Khor. 4/2565

**Re: Criteria for the Purchase of Debt Securities as Liquidity Facilities in the event of  
an activation of BAHTNET Offline (BNO)**

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## **1. Rationale**

As Bank of Thailand (BOT) has announced ‘the Regulation of the Bank of Thailand on BAHTNET Offline (BNO)’, it is necessary to establish the rules, conditions, and compensation rate for the purchase of debt securities to be used as provision of liquidity facilities during the activation on BNO for BAHTNET users who possesses debt securities as collateral for net settlement according to ‘the Regulation of the Bank of Thailand on Measures for Managing Risks from Multilateral Net Settlement through the BAHTNET (Securities Requirements for Settlement)’. The rationale is to support liquidity management in BNO and enable BAHTNET users to continuously proceed with inter-institution funds transfer.

## **2. Statutory Power**

By virtue of the provision of Article 4.3 of ‘the Regulation of the Bank of Thailand No. Sor.Ror.Khor. 1/2565 on BAHTNET Offline’.

## **3. Scope of Application**

This Notification shall be enforced to all institutions according to ‘the ‘Regulation of the Bank of Thailand on BAHTNET Services’.

## **4. Contents**

### **4.1 Definitions**

In this Notification,

“Debt securities” means Securities Requirement for Settlement (SRS) that BAHTNET users maintain in sub-account of debt securities as collateral for settlement in order to be used as liquidity facilities during an activation of BNO, which must have the characteristics and conditions as follows:

(1) Debt securities, excluding amortized bond, for which the BOT serves as a registrar.

\* This translation is only provided for general understanding. Please refer to the official version which specified in Thai language.

(2) Debt securities without obligation, including those without obligation following the successful settlement on the date of BNO activation e.g., ‘Bulk Payment Credit Next Day’ and ‘Imaged Cheque Clearing (Next-Day settlement)’.

(3) Debt securities with the remaining maturity of no less than 6 days before the book closing date.

(4) Debt securities for the provisioning of liquidity facilities must not exceed 80% of SRS collateral requirement in accordance with ‘the Notification of the Bank of Thailand on Maintenance of Debt Securities According to the Measures for Managing Risks from Multilateral Net Settlement through the BAHTNET’.

“Book closing date” means the period during which there shall be no transfer, pledge, or change in conditions according to the registrar’s announcement or sales announcement of such debt instruments.

#### **4.2 The purchasing of debt securities as liquidity facilities in BNO**

The BOT shall consider purchasing BAHTNET users’ debt securities as liquidity facilities in BNO, by crediting the current account of BAHTNET users on the day of BNO activation, and transferring the ownership of the purchased debt securities to the BOT.

#### **4.3 The repurchasing of debt securities used as liquidity facilities in BNO**

(1) BAHTNET users must repurchase such debt securities by the end of the day that BAHTNET resumes its service, or by the end of the 6<sup>th</sup> day after the activation of BNO, whichever condition is reached first. After the BAHTNET users completed the repurchase, the BOT shall transfer the ownership of the debt securities back to the BAHTNET users on that day, or on the first opportunity that is feasible.

(2) If a BAHTNET user does not have enough money in the current account to repurchase the debt securities, either entirely or partially, by 5.30 p.m. of the day that BAHTNET resumes its service, or the end of the 6<sup>th</sup> day after the activation of BNO, whichever condition is reached first, the right to repurchase is regarded as expired and the BOT shall proceed according to Article 21 to 22 of ‘the Regulation of the Bank of Thailand on Measures for Managing Risks from Multilateral Net Settlement through the BAHTNET (Securities Requirements for Settlement)’. The compensation for the use of liquidity facilities as specified in Article 4.4 of this Notification.

#### 4.4 The calculation of compensation for the use of liquidity facilities in BNO

The BOT shall charge a compensation in repurchasing the debt securities used as liquidity facilities in BNO at the policy interest rate, and shall calculate the number of days of purchase period during the activation of BNO. The calculation formular is as follows:

Value of debt securities purchased by the BOT	X	<u>[No. of days BNO is activated]</u> 365	X	<u>Policy interest rate]</u> 100
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#### 5. Effective Date

This Notification shall come into force on the day of its announcement onwards.

Announced on 31<sup>th</sup> March B.E. 2565 (2022)

(Mr. Sethaput Suthiwartnarueput)  
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