

(Unofficial Translation) \*  
The Bank of Thailand Regulation  
No. SorRorKhor. 1/2565  
BAHTNET Offline (BNO)

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## 1. Rationale

The Bank of Thailand (BOT) has considered the risks in the event of a disaster or an emergency that completely prevents the BOT from providing BAHTNET services, such as threats to information technology security (Cyber Attack), terrorism, or severe disasters, etc. By that, the BOT assessed that the BAHTNET system would not be able to resume normal operation within the operational hours of that business day. According to ‘the Regulation of the Bank of Thailand on BAHTNET Services. B.E. 2549’, Article 79, the BOT therefore, issued this regulation to determine the guiding framework, and Code of Conduct to support such cases, ensuring the same standard and that inter-institution payments can be processed continuously. The rights and duties of the BOT and BAHTNET users not mentioned in this regulation are still in accordance with ‘the Regulation of the Bank of Thailand on BAHTNET Services’.

## 2. Statutory Power

By virtue of Section 8, 33 (1) (2) (3) (5) (6) and (7), 34, 41, 44, 45 of the Bank of Thailand Act B.E. 2485 and the amendments thereof.

## 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 Definition

“BOT” means the Bank of Thailand according to the Bank of Thailand law.

“BAHTNET user” means “BAHTNET user” according to ‘the Regulation of the Bank of Thailand on BAHTNET Services’ (may also known as ‘BAHTNET participant’)

“Government agency group” means BAHTNET users which are government agencies, BOT internal departments, or other juristic persons established under specific laws according to ‘the Notification of the Bank of Thailand on Access Criteria

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

for Juristic Person to Participate as BAHTNET Service User’, including the account holders of international organizations or central banks under the supervision of the BOT.

“BAHTNET Offline (BNO)” means operational processes of the BOT and BAHTNET users to support the event in which BAHTNET system is completely incapable of providing its services.

“BNO transactions” means funds transfer orders according to ‘the Regulation of the Bank of Thailand on BAHTNET Services’, including:

- (1) Funds transfer order among BAHTNET users
- (2) Funds transfer order among BAHTNET users’ own accounts
- (3) Funds transfer order among BAHTNET users for a third party
- (4) Other services as the BOT may provide

“Deposit account” means a current account or a settlement account according to ‘the Regulation of the Bank of Thailand on BAHTNET Services’.

“BNO net position” means the net amount showing the status of payable or receivable, calculated from the BNO transactions that BAHTNET users send to the BOT, according to the specified form and time, to be used for BNO net settlement.

“BNO net settlement” means a net settlement performed by debiting or crediting deposit accounts of BAHTNET users held with the BOT, according to the BNO net position.

“SRS account” means a sub-account of debt securities as collateral for 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)’.

“ILF account” means a sub-account of debt securities for intraday liquidity facilities according to ‘the Regulation of the Bank of Thailand on Purchase of Debt Instrument with Repurchase Agreement to Provide Intraday Liquidity Facilities’.

“RP account” means a sub-account of debt securities for the purpose of repurchase transactions with the BOT, according to ‘the Regulation of the Bank of Thailand on the sale and repurchase agreements of debt securities and foreign currencies for liquidity management’.

“SRS securities” means debt securities deposited by BAHTNET users in the SRS account.

“ILF securities” means debt securities deposited by BAHTNET users in the ILF account.

“RP securities” means debt securities deposited by BAHTNET users in the RP account.

“e-Signature” means electronic signature according to ‘the Electronic Transactions Act’.

## **4.2 The activation of BNO**

The BOT shall announce the activation of BNO in the event that BAHTNET system is completely incapable of providing its services, and the BOT assesses that the BAHTNET system will not be able to resume normal operation within the operational hours of that business day.

## **4.3 Procedures after the announcement on the activation of BNO**

4.3.1 The BOT notifies BAHTNET users of the BNO procedures, timeframes, and relevant information such as BAHTNET transactions that were successfully settled before the system failure, SRS securities that can be used as liquidity in the BNO, and timeframes for accepting BNO transactions, etc. The BOT also coordinates with relevant agencies, in order to prepare for any action that could result from the activation of BNO.

In this regard, the BOT reserves the right to modify the BNO timeframe as appropriate to the situation.

4.3.2 BAHTNET users reconcile BAHTNET transactions that were successfully settled before the system failure, according to Article 4.3.1, with relevant institutions, then send BNO transactions and/or related information to the BOT within the specified time.

4.3.3 BAHTNET users will have initial liquidity in BNO as follows:

(1) BAHTNET users that are not classified to be in government agency group will have initial balance in BNO at zero (0), unless the BOT stipulates otherwise.

(2) BAHTNET users that are classified to be in government agency group will have initial balance in BNO in accordance with the rules, conditions and procedures prescribed by the BOT.

4.3.4 For BAHTNET users with SRS account, the BOT purchase SRS securities and inject liquidity for BAHTNET users in BNO. The BOT will deposit the money into the deposit accounts of BAHTNET users on the day the BNO is activated and will enable BAHTNET users to repurchase such debt securities within the end of the day that

the BAHTNET system will resume normal operation, or within the period specified by the BOT. If BAHTNET users cannot buy back the SRS securities within the specified time, the right to buy back shall be expired. In this regard, the qualifications of SRS securities, conditions for the purchase and repurchase of the securities used as liquidity in the BNO, shall be as announced by the the BOT. In this regard, the properties of SRS securities, terms of the purchase and repurchase, shall be as announced by the the BOT.

4.3.5 BAHTNET users who are not in the government agency group are considered to have deposited money with the BOT, in the amount not exceeding the combine balance of all deposit accounts before BAHTNET system is completely incapable of providing its services. The BAHTNET users can confirm the deposit or cancel the said deposit. In this regard, the procedures, methods and conditions for depositing money shall be as prescribed by the BOT.

4.3.6 When the BOT receives the BNO transactions from BAHTNET users in accordance with Article 4.3.2, it will proceed in the following order:

(1) Calculate preliminary position and balance of each account in the BNO for BAHTNET users, by calculating from BNO transactions and the purchase of SRS securities by the BOT.

(2) Notify the preliminary position calculated in accordance with Article 4.3.6 (1) by showing BNO net position and available balance of each account in the BNO for each BAHTNET user.

4.3.7 Once BAHTNET users have been informed of the preliminary position, if the BAHTNET users are not in the Government agency group, the BAHTNET users shall manage liquidity so that the balance of each account in BNO at the end of the day is not less than zero baht. For example, requesting a loan from other BAHTNET users and/or performing money market transactions with the BOT, etc.

4.3.8 BAHTNET users can perform financial market transactions with the BOT to manage liquidity in the BNO in accordance with the rules and conditions prescribed by the BOT, covering the following transactions:

(1) Repurchase/reverse repurchase agreements of debt securities and the sale of Bank of Thailand debt securities with primary dealers (Bilateral Repo: BRP)

(2) The deposit transactions with the Bank of Thailand (Deposit Facility: DF)

(3) The sale and repurchase agreements of debt securities and foreign currencies for liquidity management (Lending Facility: LF)

In this regard, the BOT reserves the right to conduct other money market transactions and/or take any additional actions for liquidity management with the members during the activation of BNO, provided that the BOT will notify members in advance.

4.3.9 If any BAHTNET user is unable to manage liquidity so that the balance of each account in the BNO at the end of the day is not less than zero (0) baht within the specified time, they must inform the BOT as soon as possible, together with the proposed solution of liquidity management and timeframe. The BOT will consider taking any action as it deems appropriate for that BAHTNET user to complete the BNO net settlement within that day.

4.3.10 Once the BOT has received the BNO transactions for liquidity management in accordance with Article 4.3.7, 4.3.8, 4.3.9, the BOT will calculate BNO net position and balance of each account for BAHTNET users again.

4.3.11 Once the BOT has calculated BNO net position in accordance with Article 4.3.10, the BOT will perform BNO net settlement for all BAHTNET users. As a result, the BNO transactions that are sent by BAHTNET users are completed, and cannot be revoked, reversed, corrected, stopped, or suspended. The BOT then informs the result of the BNO net settlement and available balance to each BAHTNET user for them to proceed in the relevant part.

4.3.12 In completion of the BNO process each day, the BOT will provide a summary of the funds transferring/receiving for each BNO account sorted by their counterparty, and all BNO funds transferring/receiving transactions on that day, for BAHTNET users to verify and confirm the correctness of their BNO transactions, and reply back to the BOT within the specified time. Once the BAHTNET system resumes its normal operation, the BOT will record the summary of funds transferring/receiving in the BAHTNET system.

If any BAHTNET user fails to confirm their BNO transactions within the specified time, it shall be deemed that the BAHTNET user has confirmed. The BOT will then use the aforementioned summary to record on their accounts when the BAHTNET system resumes its normal operation.

4.3.13 The BOT reserves the right to consider having more than one (1) settlement rounds in BNO, according to the rules, conditions and procedures prescribed by the BOT.

4.3.14 At the end of each business day, the BOT will assess the readiness to reopen the BAHTNET system, and informs the operational procedure of the next business day to BAHTNET users.

4.3.15 The procedure under Article 4.3.1 - 4.3.14, including those relevant to performing money market transactions with the BOT, shall be in accordance with the rules, conditions and procedures prescribed by the BOT.

#### **4.4 Procedures before the BAHTNET system resumes its normal operation**

When the BAHTNET system has been restored and is ready to resume its normal operation, the BOT and BAHTNET users must perform the following actions before the reopening of the BAHTNET service:

4.4.1 The BOT will adjust the balances in BAHTNET users' deposit accounts, ILF accounts, SRS accounts, and RP accounts, at the end of the day before the announcement of the BNO. This may involve canceling pending transfer orders, redeeming pledges of debt securities as collateral for the use of positive net clearing position in the cheque clearing system, repurchasing ILF securities, and record all BNO funds transferring/receiving transactions. After that, the BOT will notify BAHTNET users to verify the adjustment of such accounts.

4.4.2 When BAHTNET users have been notified by the BOT under Article 4.4.1, the following actions shall be taken:

(1) Verify the information according to the BOT's procedure in Article 4.4.1 and notify the BOT of the results within the time specified in the BNO code of conduct. If any BAHTNET user fails to notify the results of their verification within the specified time, it is considered that the BAHTNET user has already verified, and the BOT will proceed to further actions.

(2) In the event that there is a discrepancy from the BNO operation or the BAHTNET system restoration process, BAHTNET users shall coordinate with their counterparties to transfer more money and/or transfer money back to their counterparties via the BAHTNET system, soon after the system resumes its normal operation.

4.4.3 The BOT will announce the deactivation of the BNO and resume the normal operation of BAHTNET when BAHTNET users have verified the information according to Article 4.4.2 (1)

In this regard, the procedure under Article 4.4 shall be in accordance with the rules, conditions, and procedures prescribed by the BOT.

#### **4.5 Other rules and conditions**

4.5.1 Before following this regulation, BAHTNET users shall prepare and submit documents in accordance with the forms prescribed by the BOT as follows:

(1) Letter of Agreement for an execution in the event in which BAHTNET system is completely incapable of providing its services (BAHTNET Offline)

(2) Power of Attorney for the BOT to manage debt securities as collateral for settlement and debt securities for intraday liquidity facilities in the event in which BAHTNET system is completely incapable of providing its services (BAHTNET Offline)

(3) Power of Attorney for depositing in the event of system emergency which BAHTNET system is completely incapable of providing its services (BAHTNET Offline)

(4) Letter informing account details for receiving interest in depositing with the BOT in the event of system emergency

In this regard, BAHTNET users, who are not in the government agency group, and are contractual parties with the BOT according to ‘the Regulation of the Bank of Thailand on Deposit Facility No. FMOG 35/2553’, and are agreed to be bound by this regulation, are not required to submit the forms according to Article 4.5.1 (3) and (4). However, the BAHTNET users agree to use the documents related to the Power of Attorney, and Letter of consent to deduct and deposit money into the deposit account according to ‘the Regulation of the Bank of Thailand on Deposit Facility No. FMOG 35/2553’, to be applied to any signing, declaration of intent, authorization, consent, notice, communication, and action in connection with depositing in the event of system emergency which BAHTNET system is completely incapable of providing its services (BAHTNET Offline), unless the BAHTNET user has notified the change in writing to the BOT in accordance with the method prescribed.

4.5.2 The right managers and certifiers / officers of BAHTNET users using Web Service in accordance with ‘the Regulation of the Bank of Thailand on BAHTNET Services’, shall be the rights managers and certifiers / officers in BNO, in accordance with this regulation. The rights managers shall assign rights to certifiers / officers in BNO to be the authorized person that can perform actions in BNO, in accordance with the procedures prescribed by the BOT.

In this regard, it shall be deemed that any action taken by certifiers / officers in BNO in accordance to paragraph one, that involve the electronic signature of the person, shall have the same binding force as the signature of that person.

4.5.3 Maintaining deposits by financial institutions at the BOT (Reserve Requirement), ILF, and SRS debt securities; repurchasing ILF, SRS, and RP by BAHTNET users when the BAHTNET system resumes its normal operation; pledging of debt securities as collateral for the use of positive net clearing position in cheque clearing (Same-Day settlement round); any other actions during the announcement of BNO, or as a

consequence to the announcement of BNO; to be in accordance with the rules and conditions prescribed by the BOT.

4.5.4 The BOT will be liable for damages as normally caused by the actions of the BOT as stipulated in Article 11 of ‘the Regulation of the Bank of Thailand on BAHTNET Services. B.E. 2549’

4.5.5 The BOT reserves the right to amend, add, or make changes to the regulation, notification, code of conduct, or document related to this regulation, and take any further action in case of necessity to ensure continuity, smoothness and efficiency of payments between institutions. In this regard, the BOT will notify BAHTNET users in advance in a timely manner.

4.5.6 In the event that the BOT announces the activation of BNO, if there is any part of other regulations, notifications, code of conducts, user manuals, operational guidelines, written forms, or any other requirements prescribed by the BOT, are contrary to, or inconsistent with the regulation, notifications, code of conducts, or any other requirements set according to this regulation, BAHTNET users shall comply with the regulation, notifications, code of conducts, or any other requirements set according to this regulation instead.

4.5.7 In the event that there is a need to interpret the regulation, notifications, code of conducts, user manuals, operational guidelines, written forms, or any other requirements prescribed by the BOT, the BOT shall be the arbitrator in which its decision will be binding for all involved parties.

4.5.8 It is deemed that BAHTNET users agree to be bound by and comply with the regulation, notifications, and other requirements issued under this regulation.

## 5. Effective Date

This regulation shall come into effect from the announced date.

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

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Governor

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