

(Unofficial Translation*)

27th October B.E. 2554 (2011)

Dear Manager
BAHTNET service users,

For.Chor.Tor.20 (Wor.) 54/2554 Re: Purchase of Debt Instrument with Repurchase Agreement to Provide Intraday Liquidity Facilities on a Special Financial Institution Holiday (Case of Emergency)

Reference is made to settlement of Bulk Payment Credit Next Day and financial institutions' liquidity management to cater for cash withdrawals in **the event that the Bank of Thailand (BOT) announces a special financial institution holiday in case of an emergency** according to the BOT's business continuity plan.

Please kindly be informed of the followings.

1. Purchase of debt instruments for the provision of Intraday Liquidity Facilities (ILF)

The BOT shall purchase debt instruments for the provision of Intraday Liquidity Facilities (ILF) for settlement of Bulk Payment Credit Next Day transactions where the effective date and settlement date coincide with the first day of financial institution holidays, as empowered by Article 10 of the Regulation of the Bank of Thailand No. Sor.Ror.Khor. 2/2552 Re: Purchase of Debt Instrument with Repurchase Agreement to Provide Intraday Liquidity Facilities.

2. Purchase of ILF debt instruments for the provision of liquidity to cater for cash withdrawals

To support the purchase of ILF debt instruments for the provision of liquidity to cater for cash withdrawals, the BOT deems it appropriate to issue the Regulation of the Bank of Thailand No. Sor.Ror.Khor. 3/2554 Re: Purchase of Debt Instrument with Repurchase Agreement to Provide Intraday Liquidity Facilities on a Special Financial Institution Holiday (Case of Emergency) with the following salient points.

* This translation is for the convenience of those unfamiliar with the Thai language. Please refer to the Thai text for the official version.

2.1 Procedures to be bound to the Regulation – Financial institutions wishing to leverage and be bound to the Regulation shall submit a letter of agreement and other concerned documents to the BOT.

2.2 To borrow funds according to the Regulation – After financial institutions are bound to the Regulation;

(1) Financial institutions can only borrow funds after the BOT has announced a special financial institution holiday in case of an emergency. After such period, financial institutions may no longer borrow funds according to this Regulation. However, should the BOT announce another special financial institution holiday in case of an emergency; then it is possible to borrow funds according to this Regulation.

(2) For each borrowing request, financial institutions shall specify the requirements and reasons to the BOT.

(3) The BOT shall grant credits to financial institutions by purchasing debt instruments to provide liquidity, utilizing the ILF mechanism. ILF rules as stipulated in the ILF Regulation shall apply to this Regulation, mutatis mutandis.

Please kindly find, attached herewith, the Regulation of the Bank of Thailand No. Sor.Ror.Khor. 3/2554 Re: Purchase of Debt Instrument with Repurchase Agreement to Provide Intraday Liquidity Facilities on a Special Financial Institution Holiday (Case of Emergency) for your kind information. The Regulation shall be in force on 26th October B.E. 2554 (2011) onwards.

Financial institutions wishing to leverage the abovementioned Regulation shall proceed as per 2.1 and submit relevant documents to Payment Systems Development Team 1, Payment and Bond Department, BOT, 4th Floor, Building 7, Bangkhunprom, starting immediately. Please call 0-2283-5056 and 0-2356-7699 for enquires and further information.

Yours sincerely,

(Mrs. Wantana Hengtrakul)
Senior Director, Payment and Bond Department
for Governor

Attachment:

Regulation of the Bank of Thailand No. Sor.Ror.Khor. 3/2554 Re: Purchase of Debt Instrument with Repurchase Agreement to Provide Intraday Liquidity Facilities on a Special Financial Institution Holiday (Case of Emergency)

Payment and Bond Department

Tel. 0 2283 5056 and 0 2356 7699

Fax. 0 2282 7718