

Notification of the Bank of Thailand

No. Sor.Ror.Khor. 7/2552

Re: The Bank of Thailand's Purchase Prices of Debt Instruments in Connection to the Provision of Intraday Liquidity Facilities for Financial Institutions

1. Rationale

To specify the Bank of Thailand (BOT)'s purchase prices of debt instruments with a repurchase agreement by the seller for the purpose of maintaining intraday liquidity

2. Statutory Power

By virtue of the provision of Articles 44 and 45 of the Bank of Thailand Act B.E. 2485 and amendments thereafter and for the enforcement of Article 1(1) of the Regulation of the Bank of Thailand Re: Purchase of Debt Instrument with Repurchase Agreement to Provide Intraday Liquidity Facilities.

3. Scope of Application

This Notification shall be enforced with financial institutions according to the Regulation of the Bank of Thailand Re: Purchase of Debt Instrument with Repurchase Agreement to Provide Intraday Liquidity Facilities.

4. Essence

The BOT shall purchase debt instruments from financial institutions at the market prices¹ discounted by a haircut according to the type and remaining time to maturity of the concerned debt instruments as follows.

Debt instrument type	Haircut (percent) according to remaining time to maturity			
	0 – 5 years	>5 – 10 years	> 10 – 20 years	> 20 years

¹ Market prices published by ThaiBMA, calculated according the formula for debt instrument prices announced by the BOT, using the rate of return at end of day one day before the trade date, for delivery on the trade date. (In the case that the aforementioned rate of return cannot be retrieved, the rate of return on the latest available date can be used instead.) In case that no market prices as published by ThaiBMA are not available, market prices shall be determined according to the methods stipulated by the BOT, published on the BOT website.

Treasury bill, R-bill, government bond ² , BOT bond ²	1	1.5	2.5	3
Bond or debentures issued by a government institution or state-owned enterprises or financial institutions established under a specific law, as the BOT deems appropriate	1.5	3	4.5	5.5

² For floating rate government bonds and floating rate BOT bonds, the haircuts in the 0-5 year remaining time to maturity shall be applied.

5. Effective Date

This Notification shall be in force on 1st December B.E. 2552 (2009) onwards.

Given on 16th November B.E. 2552 (2009).

(Mrs. Tarisa Watanagase)

Governor

Bank of Thailand