

(Unofficial Translation) *
Notification of the Bank of Thailand
No. Sor.Ror.Khor. 2/2561

Re: Procedures for BAHTNET Service Users to Enter into Bankruptcy Proceedings

1. Rationale

To stipulate rules and procedures for operations of the BOT and BAHTNET service users, including BAHTNET service users that are authorized by the BOT to use multilateral funds transfer service (where the BAHTNET service users are senders of instructions) and concerned persons, in case the court has issued a receivership order against any BAHTNET service user, so that actions are smooth and conform to a uniform standard.

2. Statutory Power

By virtue of the provision in 4 of the Regulation of the Bank of Thailand Re: Procedures for Members of Highly Important Payment Systems to Enter Business Rehabilitation or Bankruptcy Proceedings.

3. Scope of Application

This Regulation shall apply to BAHTNET users according to the Regulation of the Bank of Thailand Re: BAHTNET Services B.E. 2549.

4. Contents

When a BAHTNET service user enters into a bankruptcy proceeding, the BOT shall proceed as follows.

1. In case a court hearing is set for the bankruptcy lawsuit, the BOT and BAHTNET service users shall proceed as follows.

1.1 The BOT shall temporarily suspend service to the abovementioned BAHTNET service user, from the designated time to the time of adjudication, and proceed as follows.

(1) Suspend the bank account and debt instrument account of the said BAHTNET service user, resulting in the inability of other BAHTNET service users to conduct any transactions with the said BAHTNET service user.

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

(2) Suspend service at the Central Settlement System (CSS) to the said BAHTNET service user.

(3) Revoke all transactions relating to the said BAHTNET service user that have not been processed as follows.

(3.1) Funds transfers that are awaiting processing, namely queued funds transfer order (paying and receiving) or forward funds transfer order

(3.2) Multilateral funds transfers that are awaiting processing

(3.3) Instruction to settle all queued securities, except for settlement instructions that are awaiting authorization which shall be revoked at end-of-day system closing.

(3.4) PvP USD CHATS funds transfers instructions in Thai baht where the funds in both currencies are not yet earmarked or settlement date is in the future, except incomplete funds transfers instructions as indicated in the Notification of the BOT Re: Linkage between the BAHTNET and USD CHATS for Foreign Exchange Settlements which shall be revoked at closing of USD CHATS linkage service.

(3.5) Queued debt instrument deposit, withdrawal and transfer instructions shall be revoked at end-of-day system closing.

When the BOT has revoked the transactions in (3.1) to (3.5), the said BAHTNET service user and other concerned BAHTNET service users shall receive a notification of funds transfers rejection according to Article 37 of the Regulation of the Bank of Thailand Re: BAHTNET Services B.E. 2549.

1.2 Other BAHTNET service users not entering into a bankruptcy proceeding shall proceed as follows.

(1) Suspend transactions relating to the said BAHTNET service user.

(2) Revoke instructions prepared for authorization (enter status) relating to the said BAHTNET service user according to the procedures indicated in the Regulation of the Bank of Thailand Re: BAHTNET Services B.E. 2549.

1.3 BAHTNET service users that are the senders of instructions shall proceed with multilateral funds transfer instructions relating to the said BAHTNET service user as follows.

(1) Revoke multilateral funds transfer instructions or

(2) Revoke multilateral funds transfer instructions with enter status in the CCS.

In this regard, BAHTNET service users that are the senders of instructions may send multilateral funds transfer instructions which are unrelated to the BAHTNET service user that is entering into a bankruptcy proceeding for settlement again.

2. In case the court has adjudged or issued an order in a bankruptcy lawsuit against the said BAHTNET service user, the BOT shall proceed as follows.

2.1 In case the court has dismissed the lawsuit or has issued any order other than a receivership order against the said BAHTNET service user, the BOT shall cancel the temporary suspension of service to the said BAHTNET service user so that other BAHTNET service users and BAHTNET service users that are senders of instructions may transact with the said BAHTNET service user as usual.

2.2 In case the court has issued a receivership order against the said BAHTNET service user, the BOT shall continue to suspend service to the BAHTNET service user until the court issues an order otherwise.

2.3 In case the court has issued an order which results in the said BAHTNET service user being discharged from receivership e.g. the court has agreed to a composition prior to bankruptcy, the BOT shall cancel the temporary suspension of service to the said BAHTNET service user so that other BAHTNET service users and BAHTNET service users that are senders of instructions may transact with the said BAHTNET service user as usual.

2.4 In case the court has adjudged the said BAHTNET service user bankrupt, the BOT shall cancel service to the BAHTNET service user.

2.5 In case the court has agreed to a composition prior to bankruptcy but the BAHTNET service user later fails to comply with the composition, once the BAHTNET service user knows the date of the hearing, the BAHTNET service user shall immediately inform the BOT of the date and time of the hearing. The BOT and the BAHTNET service user shall then proceed according to 1.

In case of the first paragraph, if the court has adjudged the BAHTNET service user bankrupt, the BOT shall cancel service to the BAHTNET service user.

3. The BOT shall proceed to charge funds, securities or any other instruments belonging to the BAHTNET service user that is subject to the court's receivership order or is adjudged bankrupt, which are deemed as liquidity in the BAHTNET for the purpose of paying for BAHTNET fees or charges to the BOT. After the charge, the remaining amounts shall be handed over to the asset pool of the said BAHTNET service user.

In this connection, funds, securities or any other instruments representing assets belonging to the BAHTNET service user that is subject to the court's receivership order or is adjudged bankrupt, which are to be handed over to the asset pool according to the first paragraph shall include:

- (1) Outstanding balance in the deposit account with the BOT
- (2) Outstanding debt instruments in the debt instrument account with the BOT
- (3) Debt instruments pledged as collateral for usage of net credit positions of a settlement period on settlement date
- (4) Funds and debt instruments that the BAHTNET service user allows the BOT to charge for settlement of Bulk Payment Credit Next Day transactions (pre-fund measure)
- (5) Others (if any)

5. Effective Date

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

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