

Unofficial Translation

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

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**BANK OF THAILAND**

10 May 2012

To Manager

All financial institutions

No.: ForWorTor. (41) Wor. 744/2555 Re: Submission of the Notification of the Bank of Thailand Re: The Setting of Contribution Rate, Criteria and Procedures for Remitting Contribution and Surcharge to the Account for Amortization of the Principle to Fiscalize to the Financial Institutions Development Fund's Losses

The Bank of Thailand hereby submits the Notification of the Bank of Thailand No. SorGorSor. 3/2555 Re: The Setting of Contribution Rate, Criteria and Procedures for Remitting Contribution and Surcharge to the Account for Amortization of the Principle to Fiscalize to the Financial Institutions Development Fund's Losses, dated 2 May 2012. The Notification was published in the Government Gazette, General Issue, Vol. 129, Special Part 79 Ngor, dated 11 April 2012.

The key point for issuing the Notification is to stipulate financial institutions to remit the contribution to the Bank of Thailand twice a year at a rate of 0.46% per annum on the average end-of-day balances of the Baht-denominated amount of funds received from general public of all branches and offices as follows:

- (1) All types of deposits
- (2) Funds received from issuance of bills of exchange
- (3) Funds received from issuance of debt instruments, excluding the portion that the financial institutions recognized as capital
- (4) Funds received from borrowings in Thailand
- (5) Funds received from security sale transactions under repurchase agreement

However, the funds received from general public do not include the funds received from commercial banks, finance companies, credit foncier companies,

specialized financial institutions set forth in the financial institution law and from the Bank of Thailand. For all types of deposits as stated in (1), the outstanding balances since 27 January 2012 shall be used. For all funds as stated in (2) (3) (4) and (5), the funds received since 27 January 2012 (grandfather) onwards shall be used.

This Notification is enforceable from the enforcement date of the Royal Decree on Stipulation of the Rate of Contribution to the Deposit Protection Agency B.E. 2555 (2012), which is expected to be imminent. Hence, financial institutions shall remit the first tranche of contribution within the end of July 2012.

Yours sincerely,

Mr. Krirk Vanikkul  
Deputy Governor  
Financial Institutions Stability  
Governor<sup>For</sup>

Enclosure: Notification of the Bank of Thailand Re: The Setting of Contribution Rate, Criteria and Procedures for Remitting Contribution and Surcharge to the Account for Amortization of the Principle to Fiscalize to the Financial Institutions Development Fund's Losses, dated 2 May 2012.

Financial Institutions Monitoring and Analysis Department

Tel: 0 2283 5849 and 0 2283 5969

Fax: 0 2283 5909

Note:  The Bank of Thailand shall arrange clarification meeting on 21 May 2012, 9.30 – 12.00 am. At Dr. Puey Ungphakorn Auditorium, Bank of Thailand  
 No clarification meeting shall be arranged.

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Notification of the Bank of Thailand

No. SorKorSor. 3/2555

Re: The Setting of Contribution Rate, Criteria and Procedures for Remitting Contribution and Surcharge to the Account for Amortization of the Principle to Fiscalize to the Financial Institutions Development Fund's Losses

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1. Rationale for the Notification

Whereas the Emergency Decree on Improvement of Debt Management of the Loan Borrowed by the Ministry of Finance to Support the Financial Institutions Development Fund (FIDF) B.E. 2555 (2012) stipulates that the contributions remitted by financial institutions at a rate prescribed by the Bank of Thailand constitute a portion of the contribution remitted into the account for amortization of the principle to fiscalize the FIDF's Losses, the Bank of Thailand thereby issues this Notification to prescribe contribution rate, criteria and procedures for remitting the contribution and surcharge into the account.

2. Statutory power

By virtue of the provisions in Section 8 and Section 9 of the Emergency Decree on Improvement of Debt Management of the Loan Borrowed by the Ministry of Finance to Support the Financial Institutions Development Fund B.E. 2555 (2012).

3. Scope of enforcement

This Notification shall be enforced on financial institutions in accordance with the Deposit Protection Agency Act.

4. Contents

4.1 In this notification,

“Financial institution” refers to a commercial bank, finance company or credit foncier company under the Financial Institution Business Act, or a specialized bank established under the mandate of a specific legislation in accordance with the royal decree promulgated under the Deposit Protection Agency Act.

“Average deposit balance of protected accounts” refers to the average deposit balance of protected account pursuant to the Deposit Protection Agency Act.

“Funds received from the general public” refers to the amount of money that a financial institution received from the general public, whereby it has legal obligations to repay this amount to the public as follows:

- (1) Baht-denominated amount of all types of deposits of all branches and offices in Thailand
- (2) Funds received from issuance of bills of exchange
- (3) Funds received from issuance of debt instruments

- (4) Funds received from borrowings
- (5) Funds received from security sale transactions under repurchase agreement
- (6) Other types of Funds received from the general public set forth by the Bank of Thailand

The funds received from the general public as stated in (2) (3) (4) and (5) refer to baht-denominated amount that all branches and offices in Thailand received from transactions executed since 27 January 2012. However, the funds received from the general public according to Paragraph 1 do not include the followings:

- (a) Average deposit balance of protected accounts
- (b) Funds received from financial institutions and specialized financial institutions set forth in the financial institution law
- (c) Funds received from the Bank of Thailand
- (d) Funds received from issuance of debt instruments for the portion that financial institutions recognized as capital, whereby such amount is excluded over the life of such debt instrument, irrespectively whether the amount recognized as capital will be subsequently reduced or not.

4.2 Financial institutions shall remit the contribution to the Bank of Thailand at a rate of 0.46 percent per annum on the following amounts:

- (1) Average deposit balance of protected accounts; and
- (2) Funds received from the general public

It shall be applicable from 27 January 2012.

4.3 Financial institutions shall remit the contribution to the Bank of Thailand twice a year in two tranches, Tranche 1: January-June and Tranche 2: July-December. However, financial institutions shall dutifully remit a full amount of the contribution for Tranche 1 by the last business day of July in such year; and Tranche 2 by the last business day of January in the following year.

4.4 Financial institutions shall calculate the contribution from the funds stated in 4.2 based on the average of end-of-day balances over a 6-month period of the respective tranche. For Tranche 1: January-June, the calculation shall be made from 1 January until 30 June. For Tranche 2: July-December, the calculation shall be made from 1 July until 31 December.

The remittance of Tranche 1 for the year 2012, financial institutions shall make calculation based on the amounts stated in 4.2, using average of the daily end-of-day balances from 27 January 2012 until 30 June 2012.

4.5 The financial institution which ceases operation pursuant to the financial institution law shall calculate the contribution based on the amounts stated in 4.2, whereby daily averages are calculated until the last day such amounts remain outstanding, and remit

the contribution in full within 30 days from the last day that the amounts remain outstanding. The financial institution whose operating license is revoked pursuant to the financial institution law shall calculate the contribution based on the amounts stated in 4.2, whereby daily averages are calculated until the revocation date. A full amount of the contribution shall be remitted within 30 days from the revocation date.

4.6 Any financial institution fails to remit the contribution or fails to remit the full amount to the Bank of Thailand within the prescribed time period is subject to pay a surcharge as prescribed by the Bank of Thailand. The surcharge shall not exceed two percent per month of the unpaid amount or the shortfall. The calculation shall commence from the day after the payment due date until the date the full amount is settled.

In the event that the financial institution discovers the error by itself and remits the full amount to the Bank of Thailand within one month from the payment due date, it shall pay a surcharge at a rate of 0.5 percent per month on the unpaid amount or the shortfall. The calculation starts from the day after the due date until the date the full amount is settled.

In the event that the financial institution discovers the error by itself and remits the full amount to the Bank of Thailand within two month from the payment due date, it shall pay a surcharge at a rate of 0.75 percent per month of the unpaid amount or the shortfall. The calculation starts from the day after the due date until the date the full amount is settled.

In the event that the financial institution discovers the error by itself and remits the full amount to the Bank of Thailand after the payment due date set forth in Paragraph 3, it shall pay a surcharge at a rate of 1 percent per month of the unpaid amount or the shortfall. The calculation starts from the day after the due date until the date the full amount is settled.

4.7 In remitting the contribution stated in 4.2 and the surcharge stated in 4.6, the financial institutions shall undertake fund transfer and notify the Bank of Thailand of such transfer in accordance with the prescribed template annexed to this notification. Financial institutions shall submit this report to the Bank of Thailand 5 business days prior to the remittance date.

## 5. Enforcement date

This Notification is enforceable from the enforcement date of the Royal Decree on Stipulation of the Rate of Contribution to the Deposit Protection Agency B.E. 2555 (2012).

Announced on 2 May 2012

Prasarn Trairatvorakul

Governor

Bank of Thailand

Template for Reporting of Calculation of Contribution Remitted into the Account for  
Amortization of the Principle to Fiscalize the FIDF's Losses

Tranche No: \_\_\_\_ Ending on \_\_\_\_\_ Year \_\_\_\_\_

Date \_\_\_\_\_

To: Governor, Bank of Thailand

I \_\_\_\_\_, Code \_\_\_\_\_, would like to report the calculation of the contribution to be remitted into the account for amortization of the principle to fiscalize the FIDF's Losses via the BAHTNET system – Business Type: GME, to be credited to the “Account for Amortization of the Principle to Fiscalize the FIDF's Losses – 2”; Account No. 001-004375-6, on \_\_\_\_ (date) \_\_\_\_; Institution code: BOTHTHB1ACG.

List of Contribution and Surcharge	Average amount (baht)
1. Average deposit balance of protected accounts	
2. Funds received from the general public (Items 2.1-2.5; to be deducted by Item 2.6)	
2.1 Average amount of all types of deposit	
2.2 Average amount of bills of exchange	
2.3 Average amount of debt instruments	
2.4 Average amount of borrowings (including funds received from securities sale transaction under repurchase agreement)	
2.5 Average other types of funds received from the public set forth by BOT	
2.6 <u>Deduct</u> – Items excluded from the base for calculation of the contribution	
2.6.1 Average deposit balance of protected accounts (Item 1)	
2.6.2 Average funds received from financial institutions	
2.6.3 Average amount of debt instruments to be counted as capital	
3. Total base for calculation of the contribution (Items 1 + 2)	
4. Contribution amount (Item 3 x contribution rate per tranche)	
Contribution rate per tranche	
5. <u>Deduct</u> - Contribution already remitted for this tranche (if any)	
6. Net contribution (Items 4 – 5)	
7. <u>Add</u> – Surcharge in the case where contribution was not remitted in full, was not remitted or was remitted late (if any)	
8. Grand total of the contribution (Items 6 + 7)	

Certify that this report is complete and accurate.

Authorized signatory ( \_\_\_\_\_ )

Position \_\_\_\_\_

**Explanatory Notes for  
Template for Reporting of Calculation of Contribution Remitted to the Account for  
Amortization of the Principle to Fiscalize the FIDF's Losses**

**A. Overview**

1. Report preparation: Financial institution shall complete the report for calculation of contribution remitted to the account for amortization of the principle to fiscalize the FIDF's losses, accurately and truthfully in accordance with the prescribed template and explanatory notes set out by the Bank of Thailand (BOT) as follows:

1.1 The report shall be prepared as follows:

1.1.1 For funds received from deposits, the report shall be prepared based on the **Thai baht-denominated consolidated financial statements of all domestic offices**.

1.1.2 For funds received from the issuance of bills of exchange, debt instruments, borrowings, and securities sale transactions under repurchase agreement, the report shall be completed with data from **Thai baht-denominated consolidated financial statements of all domestic offices**, specifically from the funds received from transactions or agreements executed since **27 January 2012**.

1.2 Prepare the report in excel file format by observing explanatory notes set out by the BOT. To download the file, go to the BOT's website: [www.bot.or.th](http://www.bot.or.th), Transmitting data to and from the BOT/ download template/ contribution calculation template. [This is available on Thai language page only.]

2. Submission of report and remittance of the contribution to the BOT

2.1 Financial institutions shall submit the report by using the prescribed template. The report must be submitted five business days prior to the remittance date, as follows:

2.1.1 Use the excel file format prescribed by the BOT. Submit the report via the channel for sending and receiving data of the DMS Data Acquisition system through the extranet system (<https://webserv>). Click the heading "Submit File," then choose "Fund Remittance Report."

2.1.2 Document format: One set of original documents signed by authorized signatory shall be delivered to the Financial Institutions Monitoring and Analysis

Department, Supervision Group, Bank of Thailand. Financial Institutions shall prepare and keep calculation details for an on-site audit.

2.2 Financial institution shall remit the contribution to the BOT twice a year via the Bathnet system by transferring the funds into the “Account for Amortization of the Principle to fiscalize the FIDF’s Losses – 2” at the Bank of Thailand – Account no. 001-004375-6 and Institution code: BOTHTHB1ACG. In addition, the date of fund transfer to such account must be shown on the report as follows:

Tranche 1 January-June: The remittance is to be made by the last business day of July of that year.

Tranche 2 July-December: The remittance is to be made by the last business day of January of the following year.

In the event that the financial institution **ceases operation** pursuant to the financial institution law, it must calculate the amount of contribution and make remittance within 30 days from the last day such base amount still remains. In the event that the financial institution’s **operating license is revoked** pursuant to the financial institution law, it must calculate the amount of contribution and remit a full amount of the contribution within 30 days from the date the operating license is revoked.

3. In the event that the financial institution fails to remit the full amount of the contribution, it shall pay a surcharge, whereby a full amount of the contribution is recalculated, and then the already paid amount is deducted from this amount. In addition, a surcharge is calculated using the criteria set out by BOT. It is required that the word “Revised” be specified at the top center of the revised report, and the report must be submitted as stated in 2.1 and the contribution must be remitted into the account as prescribed in 2.2.

For further queries on this template, please inquire the Financial Institutions Monitoring and Analysis Department of the Bank of Thailand by contacting Khun Asdaporn Matchavanit at 0-2283-5969; Khun Wallaya Sriwattana at 0-2283-6442; and Khun Sirinit Ratanapintha at 0-2283-5916.

## **B. Definition of the report items**

1. **Average deposit balance of protected accounts** refers to the balance of the average deposit of the protected accounts under the deposit protection agency law.

2. **Funds received from the general public** refer to the daily average of the Thai baht-denominated balances of all types of deposits of all branches and offices in Thailand,



funds received from issuance of bills of exchange, funds received from issuance of debt instruments, funds received from borrowings, funds received from securities sale transactions under repurchase agreement, and other types of funds received from the public as set forth by BOT. However, these **do not include** average deposit of balance of protected accounts as stated in 1, average funds received from the financial institutions as stated in 2.6, and average funds received from issuance of debt instruments as per the amount that the financial institution recognizes as capital as stated in 2.7.

**2.1 Average amount of all types of deposits** refers to the daily average of end-of-day closing balance of all types of deposit obtained from financial institutions, juristic persons and the general public. However, this **does not include** adjustments from hedging.

**2.2 Average amount of bills of exchange** refers to the daily average of end-of-day closing balance of funds received from the issuance of bills of exchange offered to financial institutions, juristic persons and the general public for fund mobilization. However, this **does not include** adjustments from hedging.

**2.3 Average amount of debt instruments** refers to the daily average of end-of-day closing balance of funds received from the issuance of debentures, debt instruments, and other financial instruments offered to financial institutions, juristic persons and the general public. However, this **does not include** adjustments from hedging.

**2.4 Average amount of borrowings** refers to the daily average of end-of-day closing balance of funds received from all types of borrowings, including funds received from securities sale transactions under repurchase agreement. However, this **does not include** adjustments for from hedging.

**2.5 Average of other types of funds received from the public** as set forth by BOT refers to the daily average of end-of-day closing balance of other types of funds received from the public as set forth by BOT.

**2.6 Average funds received from financial institutions** refers to the daily average of end-of-day closing balance of baht-denominated funds received by all branches and offices in Thailand, including all types of deposit, bills of exchange, debt instruments, borrowings, and funds received from securities sale transactions under repurchase agreement from commercial banks, finance companies, credit foncier, and specialized financial institutions as set forth in the financial institution law as well as all

types of fund received from BOT. However, this **does not include** adjustments from hedging.

**2.7 Average debt instruments recognized as capital** refers to the daily average of end-of-day balance of funds received from the issuance of debt instruments as per the amount recognized as capital by the financial institution. The report must capture such amount over the life of such debt instrument, irrespective whether the amount recognized as capital will be reduced subsequently or not.

3. **Average amount** is calculated from the daily average of end-of-day closing balance of each item, and then divided by the number of days in each payment period based on actual number of days in each cycle. The average amount shall be shown in baht and with two digits after the decimal point.

In case of public holidays or weekends, if the financial institution does not have end-of-day balances on such holidays, balances on the last business day before such holidays shall be calculated instead.

4. **Contribution amount** refers to the total base for calculation of the contribution multiplied by the contribution rate per tranche. However, the total base of calculating the contribution amount for Tranche 1 in 2012, which starts from 27 January 2012 until 30 June 2012 shall be multiplied by the contribution rate for the tranche and then multiplied by the number of days from 27 January 2012 until 30 June 2012, totaling 156 days, and finally divided by the actual number of days.

In the event that the financial institution **ceases operation** pursuant to the financial institution law, it must calculate the amounts stated in 1 and 2 by calculating averages until the last day the base amount still remains. In the event that the financial institution's **operating license is revoked** pursuant to the financial institution law, it must calculate averages of the amounts stated in 1 and 2 until the license revocation date.

In the event that the financial institution fails to remit a full amount of contribution into the account for amortization of the principle to fiscalize the FIDF's losses, it must recalculate the contribution amount and prepare the report with correct amounts, as well as report the partial remittance of the contribution and the surcharge.

5. **Contribution rate per tranche** refers to the percentage per annum of the contribution set forth by BOT divided by the number of tranches.

6. **Remitted contribution in this payment period (if any)** refers to the contribution already remitted by the financial institution, which however is not a full

amount. The remitted contribution is then deducted from the recalculated amount of the contribution as stated in 4.

7. **Net contribution** refers to the amount of contribution to be remitted by the financial institution or the amount of additional contribution required due to partial remittance of the contribution, failure to make remittance, or late remittance.

8. **Surcharge (if any)** refers to the amount of surcharge to be remitted by the financial institution, whereby it is calculated from additional amount of the contribution required due to partial remittance of the contribution, failure to make remittance, or late remittance, and multiplied by the surcharge rate and the time lapsed set forth by BOT.

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