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**THE BANK OF THAILAND**

16 May 2008

To Managers

BAHTNET member institutions

No. PhoRoChor.(12) Wor. 41/2551 Re: Adjustment of Compensation Rate for  
Overnight Intraday Liquidity Facilities

As the Bank of Thailand considers appropriate to adjust the compensation rate for overnight intraday liquidity facilities and for the case where financial institution's right to repurchase debt instrument from overnight intraday liquidity facilities expires, from the BOT policy rate plus 0.25% per annum to the policy rate plus 0.50% per annum, so as to be in line with the compensation rate for end-of-day liquidity facilities. The adjustment shall be in effect from 13 May 2008 onward.

Please be informed accordingly. Attached herewith is the Notification of the Bank of Thailand No. SorRoKho. 2/2551 Re: Compensation Rate on Sell/Purchase of Debt Instruments and Calculation Method (Third Amendment).

With Respect

(Mrs. Charinya Kaewmanee)

Senior Director, Payment Systems Department

Attachment: Notification of the Bank of Thailand No.SorRoKho. 2/2551 Re: Compensation Rate on Sell/Purchase of Debt Instruments and Calculation Method (Third Amendment)

Payment Systems Department

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## **Notification of the Bank of Thailand**

**No. SorRoKho. 2/2551**

### **Re: Compensation Rate on Sell/Purchase of Debt Instruments and Calculation Method (Third Amendment)**

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#### **1. Rationale**

In order to be in line with adjustment of compensation rate for end-of-day liquidity facilities, the Bank of Thailand considers appropriate to adjust the compensation rate in the case where financial institutions use overnight intraday liquidity facilities and where financial institution's right to repurchase debt instrument from overnight intraday liquidity facilities expires.

#### **2. Authority**

Pursuant to Article 3(5) and Article 3(6) of the Bank of Thailand Regulation on Purchase of Debt Instruments under Repurchase Contract for Intraday Liquidity Facilities B.E. 2549

#### **3. Amendment**

Amended the Notification of the Bank of Thailand Re: Compensation Rate on Sell/Purchase of Debt Instruments and Calculation Method dated 12 April 2006 and any additional amendments.

#### **4. Scope of application**

This Notification shall apply to financial institutions that enter into an agreement to accept benefits and be obligated according to the Bank of Thailand Regulation on Purchase of Debt Instruments under Repurchase Contract for Intraday Liquidity Facilities.

#### **5. Content**

Provision in Article 1 of the Notification of the Bank of Thailand Re: Compensation Rate on Sell/Purchase of Debt Instruments and Calculation Method dated 12 April 2006 and any additional amendments shall be replaced with following provision:

“(1) The Bank of Thailand shall charge the compensation for selling back debt instruments on the next business day after the purchased date and the compensation fee in case where financial institution’s right to repurchase expires at the BOT policy rate on the purchased date plus 0.50 per cent per annum”

**6. Effective date**

This notification shall be in force on 13<sup>th</sup> May B.E. 2551 onwards.

Given on 14<sup>th</sup> May B.E. 2551.

(Mrs. Tarisa Watanagase)

Governor

Bank of Thailand