

Notification of the Board of the Deposit Protection Agency
Re: Rules and Procedures for Transactions with Repurchase Agreements or
Reverse Repurchase Agreements B.E. 2553 (2010)

Whereas it is expedient to prescribe the rules and procedures for transactions with repurchase agreements or reverse repurchase agreements, by virtue of Clause 5 of the Ministerial Regulations Prescribing the Investment Rules and Procedures of the Deposit Protection Agency B.E. 2553 (2010) issued in accordance with the Deposit Protection Agency Act B.E. 2551 (2008) with the approval of the Board of the Deposit Protection Agency in Board Meeting No. 2/2553 held on 22 February 2553 (2010), accordingly, the President of the Deposit Protection Agency hereby prescribes the rules and procedures for transactions with repurchase agreements or reverse repurchase agreement as follows:

Clause 1. The notification shall be called “Notification of the Board of the Deposit Protection Agency Re: Rules and Procedures for Transactions with Repurchase Agreements or Reverse Repurchase Agreements B.E. 2553 (2010)”.

Clause 2. This notification shall come into force from the date of its publication.

Clause 3. In this notification,

“**Agency**” means the Deposit Protection Agency.

“**Board**” means the Board of the Deposit Protection Agency.

“**President**” means the President of the Deposit Protection Agency.

“**Transaction with a Repurchase Agreement**” means the sale of securities with a repurchase agreement according to the date specified in the agreement.

“**Transaction with a Reverse Repurchase Agreement**” means the purchase of securities with a reverse repurchase agreement according to the date specified in the agreement.

“**Funds**” means the various funds under the supervision of the Securities and Exchange Commission such as mutual funds, provident funds, private funds, and funds in other categories to be prescribed in the future by the Securities and Exchange Commission.

“**Investment**” means the capital of the Agency under Section 9 of the Deposit Protection Agency Act B.E. 2551 (2008) and the Deposit Protection Fund under Section 47 of the Deposit Protection Agency Act B.E. 2551 (2008) which is used to invest.

“**Designated Juristic Person**” means the juristic person designated to make the investment according to Clause 4 of the Ministerial Regulations Prescribing the Investment Rules and Procedures of the Deposit Protection Agency B.E. 2553 (2010).

Clause 4. The investment by the Agency or designated juristic person, in the event of a transaction with a repurchase agreement or transaction with a reverse repurchase agreement, shall be made according to the rules and procedures prescribed in this notification.

Clause 5. The Agency or designated juristic person can enter into a transaction with a repurchase agreement or transaction with a reverse repurchase agreement with the following persons:

- (1) Funds;
- (2) The Government Pension Fund;
- (3) The Bank of Thailand;
- (4) The Financial Institutions Development Fund;
- (5) Commercial banks;

- (6) Finance companies;
- (7) Securities companies;
- (8) Credit foncier companies;
- (9) Insurance companies;
- (10) State agencies and state enterprises in accordance with the law governing budgeting procedure;
- (11) The Social Security Office;
- (12) Juristic persons established by specific legislation;
- (13) Other juristic persons as prescribed by the Board.

Clause 6. Transactions with a repurchase agreement or transactions with a reverse repurchase agreement shall be made within six months. The total value of a transaction with a repurchase agreement shall not exceed 30% of the investment and the total value of a transaction with a reverse repurchase agreement shall not exceed 30% of the investment.

Clause 7. Securities which can be used for transactions with a repurchase agreement or a reverse repurchase agreement are as follows:

- (1) Government bonds or treasury bills;
- (2) Debt instruments where the principal and interest are guaranteed by the Ministry of Finance;
- (3) Debt instruments issued by the Bank of Thailand;
- (4) Debt instruments issued by specialized financial institutions established under specific legislation whose deposits are not protected in accordance with Section 4 of the Deposit Protection Agency Act B.E. 2551 (2008) as prescribed by the Board in Clause 3(4) of the Ministerial Regulations Prescribing the Investment Rules and Procedures of the Deposit Protection Agency B.E. 2553 (2010) dated 5 March 2553 (2010);

The remaining term of the securities used for the sale of securities with a repurchase agreement or the purchase of securities with a reverse repurchase agreement shall be longer than the agreement term of such transaction.

Clause 8. In conducting a sale of securities with a repurchase agreement or a purchase of securities with a reverse repurchase agreement, the Agency or designated juristic person shall use the standard agreement approved by the Securities and Exchange Commission.

Clause 9. In conducting a sale of securities with a repurchase agreement or a purchase of securities with a reverse repurchase agreement, the Agency or designated juristic person shall comply with the practice prescribed by the Thai Bond Market Association, the Securities and Exchange Commission or the Bank of Thailand.

Clause 10. The President shall be in charge of this notification and shall have the power to prescribe rules and procedures in conducting a sale of securities with a repurchase agreement or a purchase of securities with a reverse repurchase agreement according to this notification.

Announced on 1 April 2553 (2010)

(signature)

(Mr. Manit Wityatem)

Chairman of the Board of the Deposit Protection Agency