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The Submission Period and the Prioritisation of the Applications to Issue Baht-denominated Bonds or Debentures in Thailand

On April 11, 2006, the Ministry of Finance issued the Notification: Permission to Issue Baht-denominated Bonds or Debentures in Thailand, which stipulates rules for issuance of Baht-denominated bonds or debentures by international financial institutions, foreign governments or financial institutions of foreign governments and foreign entities. A committee was also set up to consider the application for the Baht-denominated Bonds or Debentures whose main task was to determine the amount to be issued, consider the applications and determine their priorities as well as allocate the amount to be allotted to each applicant for the Minister of Finance's consideration.

On August 4, 2006, the Minister of Finance approved the timetable for submission and guideline to prioritise the applications to issue Baht-denominated bonds or debentures in Thailand, which can be summarised as follows:

1. Timetable for submission Submission is open twice a year, in May and November. The applicant must complete the submission within the specified period and must issue the Baht-denominated bonds or debentures within 6 months from the permission date. If the applicant fails to issue the bonds or debentures, a new submission must be made. However, for the first year, 2006, the period of submission will be extended to August 22, 2006.

2. The prioritisation of the applications If the total amount of the applications exceeds the amount allocated each year to foreign entities to issue the Baht-denominated bonds or debentures, the committee will prioritise the applications on following criteria:

- Country of applicant, ASEAN+3 countries, international financial institutions of which Thailand is a member, Asia Cooperation Dialogue countries and other countries.

- Use of proceeds received from the issuance – for example, to use it in Baht currency or to swap out to foreign currency; to use it in the investment projects in Thailand, neighbouring countries or other countries and benefit of the project to Thai economy.

- Credit rating

The Ministry of Finance would like to invite the international financial institutions, the foreign governments or financial institutions of foreign governments and the foreign entities, who are interested in issuing the Baht-denominated bonds or debentures, to submit their applications within the above-mentioned period.
