

PUBLIC DEBT MANAGEMENT ACT,
B.E. 2548 (2005)

BHUMIBOL ADULYADEJ, REX.

Given on the 31st Day of January B.E. 2548

Being the 60th Year of the Present Reign

His Majesty King Bhumibol Adulyadej is graciously pleased to proclaim that:

Whereas it is expedient to have a law on public debt management;

Be it, therefore, enacted by the King, by and with the advice and consent of the National Assembly, as follows:

Section 1. This Act is called the “Public Debt Management Act, B.E. 2548 (2005)”.

Section 2. This Act shall come into force as from the day following the date of its publication in the Government Gazette.¹

Section 3. The following shall be repealed:

(1) Treasury Bills Act, B.E. 2487 (1944);

(2) Act Prescribing Powers of the Ministry of Finance to Guarantee Loans, B.E. 2510 (1967);

Announcement of the Revolutionary Council No. 110, dated 31st March B.E. 2515 (1972);

Act Prescribing Powers of the Ministry of Finance to Guarantee Loans (No. 2), B.E. 2519 (1976);

¹ Published in the Government Gazette, Vol. 122, Part 12 a, page 1, dated 2nd February B.E. 2548.

Announcement of the Revolutionary Council No. 17, dated 8th November B.E. 2520 (1977);

(3) Loan for National Defence Act, B.E. 2519 (1976);

(4) Act Authorising the Ministry of Finance to Raise Loans from Abroad, B.E. 2519 (1976);

(5) Act Authorising the Ministry of Finance to Raise Loans from Foreign Government for Procurement of Military Munitions, B.E. 2524 (1981);

(6) Emergency Decree Authorising the Ministry of Finance to Restructure External Debts, B.E. 2528 (1985);

(7) Emergency Decree Authorising the Ministry of Finance to Raise Loans from Abroad for Economic Restoration, B.E. 2541 (1998).

Section 4. In this Act:

“public debt” means a debt incurred by the Ministry of Finance, a State agency or a State enterprise through raising of loans or a debt guaranteed by the Ministry of Finance, but does not include a debt of a State enterprise which conducts money lending business, asset management business or credit insurance business where such debt is not guaranteed by the Ministry of Finance, and a debt of the Bank of Thailand;²

“public debt management” means debt incurrence through raising or guaranteeing of loans, debt repayment, debt restructuring and other acts in connection with public debt;

“asset management business” means asset management business under the law on asset management companies;³

“loan insurance business” means business which provides loan insurance to a person so that such person may be granted a loan by a financial institution;⁴

“guaranteeing” also includes *aval* of a bill;

² The definition of the term “public debt” is amended by the Public Debt Management Act (No. 3), B.E. 2560 (2017).

³ The definition of the term “asset management business” is added by the Public Debt Management Act (No. 3), B.E. 2560 (2017).

⁴ The definition of the term “loan insurance business” is added by the Public Debt Management Act (No. 3), B.E. 2560 (2017).

“debt instrument” means a treasury bill, promissory note, bond and other instruments a result of which a debt is incurred as specified by the Committee, and shall also include a debt instrument issued under scripless system;

“treasury bill” means a document of short-term debt incurrence issued by the Ministry of Finance, which matures in not more than twelve months from the date of issuance;

“promissory note” means a promissory note under the Civil and Commercial Code;

“bond” means a document of long-term debt incurrence, which matures in not less than twelve months from the date of issuance;

“State agency” means a Ministry, a Sub-ministry, a Department or a government agency called by any other name and ascribed the status as a Department, a government agency attached to the National Assembly, Court and other State agencies, but does not include a local administrative organisation and a State enterprise;

“agency under State supervision” means other State agency other than a government agency and a State enterprise;

“local administrative organisation” means a *Changwat*⁵ Administration Organisation, a Municipality, a *Tambon*⁶ Administration Organisation, Bangkok Metropolitan Administration, Pattaya City and other local government organisations established by law;

“State enterprise” means:

(a) a government organisation under the law on establishment of government organisations, a State undertaking established by law or a business entity owned by the Government;

(b) a limited company or a public limited company, more than fifty per cent of whose capital is owned by State agencies or State enterprises under (a);

(c) a limited company or a public limited company, more than fifty per cent of whose capital is owned by State agencies or State enterprises under (a) or (b) or State enterprises under (a) and (b). For this purpose, only the percentage of capital owned by State agencies shall be included for calculation;

⁵ Translator’s Note: *Changwat* means province.

⁶ Translator’s Note: *Tambon* means sub-district.

“State financial institution” means a financial institution established by law for lending money to promote agriculture, commerce or industry;

“Committee” means the Public Debt Policy and Supervision Committee;

“Office” means the Public Debt Management Office;

“Minister” means the Minister having charge and control of the execution of this Act.

Section 5. The Minister of Finance shall have charge and control of the execution of this Act, and shall have the power to issue Ministerial Regulations, Notifications and Rules for the execution of this Act.

Such Ministerial Regulations shall come into force upon their publication in the Government Gazette.

CHAPTER I GENERAL PROVISIONS

Section 6. Public debt management shall be as prescribed by this Act.

Section 7. The Ministry of Finance shall, upon approval of the Council of Ministers, have the exclusive power to raise loan or guarantee in the name of the Government of the Kingdom of Thailand.

Section 8. A State agency other than the Ministry of Finance shall not raise loans or provide guarantees, unless such power is specifically provided by law.

Section 9. If a State enterprise which is not ascribed status of a juristic person finds it necessary to raise loan for the operation of its undertaking, the Ministry to which it is attached shall, upon approval of the Minister, have the power to raise loan therefor. However, if the raising of loan is for investment purpose, such State enterprise must submit its investment plan to the National Economic and Social Development Board for prior approval. If the amount of loan to be raised exceeds fifty million baht, the approval from the Council of Ministers shall also be obtained.

The money obtained from the raising of loan under this section shall be remitted to such State enterprise for spending in accordance with the purpose of loan raising without having to be remitted to the Ministry of Finance under the law on budgetary procedure and the law on treasury reserves.

Section 10. The raising of loan under this Act may be made by concluding an agreement, by issuing a debt instrument or by any other mean as approved by the Council of Ministers.

In raising of loan under paragraph one, the Ministry of Finance shall not raise a loan from or through any other person other than a direct lender, except for a case of raising of loan by issuing a debt instrument, in which the Ministry of Finance may sell the debt instrument through an underwriter.

The raising of loan by issuing a debt instrument shall be made in the amount, within the period of time and under the issuance procedures prescribed in a Notification by the Minister.

Section 11. In issuing a debt instrument within the country, the Minister may entrust the Bank of Thailand or other persons to act as the underwriter.

Subject to paragraph one, the issuance, purchase, sale and transfer of debt instruments, use of debt instruments as security, with or without delivery of the instrument, enforcement of security and appointment of an underwriter shall be in the form and in accordance with the rules, procedures and conditions prescribed in a Ministerial Regulation. In this regard, the provisions on pledge of the Civil and Commercial Code shall not apply, unless otherwise prescribed by the Ministerial Regulation.

Section 12. The Minister or a person authorised by the Minister shall have the power to sign a loan agreement, a letter or agreement of guarantee or a debt instrument; however, in the case of authorisation to sign a debt instrument, such authorisation shall be published in the Government Gazette.

Section 13. The principal, interest and expenses incurred in the raising of loan and the issuance and management of debt instruments shall be paid from budget set out in the annual expenditure budget; however, in a case of treasury bills or a case

authorised by the law on treasury reserves, such sum may be paid from the treasury reserves.

Section 14.⁷ The Ministry of Finance shall have the power to restructure public debt by means of refinancing existing debts, swap, prepaying, extending or shortening the repayment period, rolling over, buying back or redeeming debt instruments of the Government, or undertaking other financial transactions which are beneficial to public debt restructuring as specified by a Ministerial Regulation.

Section 15. For the purpose of restructuring public debt, the Ministry of Finance may repay a debt for a State enterprise or a State financial institution. Upon repayment of the debt, such agency shall become indebted to the Ministry of Finance in an amount equal to the amount repaid by the Ministry of Finance plus the amount of all other expenses incurred in such repayment.

Section 16. In each loan raising, the Ministry of Finance shall publish information on the source of loan, currency of loan, amount of loan, conversion of a foreign currency into Thai baht, interest rate, fees, expenses, discount, repayment period of the principal, purposes of loan use, conditions, procedures and any other necessary substances in the Government Gazette within sixty days from the date of conclusion of the loan agreement or of issuance of the debt instrument, as the case may be.

Within sixty days following the last day of March and September each year, the Ministry of Finance shall publish a summary report on status of public debt in the Government Gazette. Such report shall present the status of public debt incurred by raising of loan or guaranteeing on the last day of such month, and also itemise loans and guaranties newly incurred during October to March and April to September, respectively.

Section 17. Within sixty days from the last day of a fiscal year, the Ministry of Finance shall submit a report on the raising of loan and guaranteeing incurred during the preceding fiscal year to the National Assembly for information. Such report must at least

⁷ Section 14 is amended by the Public Debt Management Act (No. 2), B.E. 2551 (2008).

specify details of the raising of loan and guaranteeing as well as its current or expected outputs.

Section 18. The conversion of a foreign currency into Thai baht shall be based on the exchange rate in the Notification of the Bank of Thailand on the date of conclusion of the loan agreement or the guarantee agreement or of issuance of the debt instrument; however, in the report under section 16 paragraph two, it shall be based on the exchange rate on the last working day of March or September, as the case may be.

Section 19. In the case where a local administrative organisation, by the power authorised by the law establishing such local administrative organisation or any other law, raises a loan from a source other than the Ministry of Finance, the Ministry of Finance or any other State agency shall not assume the responsibility for or guarantee such debt or set out a budgetary appropriation to repay the principal or interest of such loan.

The provisions of paragraph one shall also apply to an agency under State supervision *mutatis mutandis*.

CHAPTER II

DEBT INCURRED BY THE GOVERNMENT

Section 20.⁸ The Ministry of Finance shall raise a loan only for any of the following purposes:

- (1) to finance budget in case of budget deficit or where the expenditure exceeds the revenue;
- (1/1) to manage the liquidity of the treasury reserves;⁹
- (2) to promote economic and social development;
- (3) to restructure public debt;
- (4) to on-lend it to another agency;
- (5) to develop the domestic debt instrument market.

⁸ Section 20 is amended by the Public Debt Management Act (No. 2), B.E. 2551 (2008).

⁹ Section 20 (1/1) is added by the Public Debt Management Act (No. 4), B.E. 2561 (2018).

The amount of money in Thai baht or foreign currency received by the raising of loan under (2) to (5) shall be used in accordance with the purpose of the loan raising or as approved by the Council of Ministers, without having to be remitted to the Treasury pursuant to the law on budgetary procedure or the law on treasury reserves.

Section 21.¹⁰ In raising of loan to finance budget in case of budget deficit or where the expenditure exceeds the revenue for the annual expenditure budget of any given fiscal year, the Ministry of Finance shall raise loan in Thai baht in the aggregate amount not exceeding—

(1) twenty per cent of the amount of the annual expenditure budget currently in force and the additional expenditure budget; and,

(2) eighty per cent of the expenditure budget set out for repayment of principal.

The raising of loan under paragraph one shall be made within such appropriate fiscal year. However, in the case where an approval is granted to disburse the expenditure budget after the last day of any given fiscal year, the Minister may extend the time limit for the raising of loan under paragraph one beyond the last day of such fiscal year, provided that the loan so raised shall not exceed the amount of the expenditure budget approved to disburse after the last day of such fiscal year.

The Minister shall publish, in the Government Gazette, the aggregate amount of loan in respect of which the time limit is extended beyond the last day of a fiscal year under paragraph two.

Section 21/1.¹¹ In raising of loan to manage the liquidity of treasury reserves, the Ministry of Finance shall raise loan in Thai baht through occasional issuance of treasury bills when it is necessary to maintain ample liquidity of treasury reserves for the purpose of disbursement.

The treasury bills issued for the raising of loan under paragraph one shall mature in not more than one hundred and twenty days from the date of issuance, and shall be separated from treasury bills issued for raising of loan for other purposes.

¹⁰ Section 21 is amended by the Public Debt Management Act (No. 4), B.E. 2561 (2018).

¹¹ Section 21/1 is added by the Public Debt Management Act (No. 4), B.E. 2561 (2018).

At any given moment, the remaining amount of debts of the Ministry of Finance resulting from the raising of loan under this section shall not exceed three per cent of the amount of the annual expenditure budget currently in force and the additional expenditure budget.

At the end of a fiscal year, the Ministry of Finance shall submit a report on the amount of remaining treasury bills on the last day of the fiscal year with the report under section 17.

Section 22. The raising of loan for economic and social development may be made where it is necessary to spend money other than the annual expenditure budget and foreign currency is required, or it is necessary to raise loan to strengthen national financial stability. In this case, the Ministry of Finance shall raise loan in a foreign currency in the aggregate amount not exceeding ten per cent of the annual expenditure budget.

In raising of loan under paragraph one, the purpose of spending shall be clearly specified. Such loan shall be raised in accordance with the rules, procedures and conditions prescribed by the Minister and approved by the Council of Ministers.

Section 23. In raising of loan under section 22, if the condition of the domestic financial market is suitable and it will be beneficial for the development of financial system, public finance and capital market, the Ministry of Finance, with an approval from the Council of Ministers, may raise loan in Thai baht instead of a foreign currency.

Section 24. The raising of loan for public debt restructuring may be made only for purposes of economies, minimising foreign exchange risk or diversifying burden of debt repayment. In this regard, the Ministry of Finance shall–

(1) raise a loan for repayment of debts incurred by the Ministry of Finance in an amount not exceeding the amount of outstanding debt; or,

(2) raise a loan for repayment of debt guaranteed by the Ministry of Finance in an amount not exceeding the amount of guaranteed debt.

The amount of loan under (2) shall be included in the aggregate amount under section 21 or section 22, as the case may be.

With respect to the raising of loan under paragraph one, if a new loan is to be raised for the purpose of restructuring a debt which is in Thai baht, such loan shall be raised in Thai baht.

In proceeding under paragraph one, if the repayment period of the loan raised is longer than twelve months, it shall be reported to the Council of Ministers for information.

Section 24/1.¹² In the case where the amount of public debt to be restructured is sizable and the Ministry of Finance is of the opinion that the raising of loan to restructure such debt should not be made in one single occasion, the Ministry of Finance may raise loans in separate occasions up to twelve months in advance of the date on which the debt is due.

Money received from the raising of loan under paragraph one shall be remitted to the Public Debt Restructuring and Domestic Bond Market Development Fund.

Section 25.¹³ In the case where it is necessary for a State agency, an agency under State supervision, a local administrative organisation or a State financial institution to use money to finance a project or a work plan which the Government deems it necessary for economic and social development, if the raising of loan by the Ministry of Finance for on-lending to such agency will be more economical and efficient for public debt management, the Ministry of Finance shall have the power to raise loan for on-lending to such agency under the rules, procedures and conditions prescribed by a Ministerial Regulation.

The amount of loan raised under paragraph one shall be included in the aggregate amount as follows:

(1) if the loan is raised in a foreign currency, it shall be included in the aggregate amount under section 22;

(2) if the loan is raised in Thai baht, it shall be included in the aggregate amount under section 28.

¹² Section 24/1 is added by the Public Debt Management Act (No. 2), B.E. 2551 (2008).

¹³ Section 25 is amended by the Public Debt Management Act (No. 2), B.E. 2551 (2008).

Section 25/1.¹⁴ The raising of loan for development of the domestic debt instrument market shall be made by issuing debt instruments as are necessary to establish a reference interest rate for the debt instrument market in accordance with the rules and conditions prescribed by a Ministerial Regulation. In this regard, the amount thereof shall be included in the aggregate amount under section 21.

The Ministerial Regulation under paragraph one must contain the maturity period and aggregate amount of the debt instrument to be used to establish a reference interest rate for the debt instrument market.

Money received from the raising of loan under paragraph one shall be remitted to the Public Debt Restructuring and Domestic Bond Market Development Fund.

Section 26. The Ministry of Finance has the power to collect interest and fees for the repayment under section 15 or the on-lending under section 25 at the rates and under the conditions prescribed by a Ministerial Regulation.

CHAPTER III

DEBT GUARANTEED BY THE GOVERNMENT

Section 27. Subject to section 19, the Ministry of Finance shall have the power to guarantee the repayment of debt of a State agency, a State enterprise or a State financial institution, whether it is a guarantee in whole or in part, in accordance with the rules, procedures and conditions prescribed by the Minister upon approval of the Council of Ministers.

Section 28. In one fiscal year, the Ministry of Finance may provide guarantees in an amount not exceeding twenty per cent of the amount of the annual expenditure budget currently in force and the additional expenditure budget.

¹⁴ Section 25/1 is added by the Public Debt Management Act (No. 2), B.E. 2551 (2008).

Section 29. The rules for guaranteeing and on-lending and amount of loan facility to be guaranteed or on-lent by the Ministry of Finance to any State enterprise or State financial institution shall be as specified by the Committee.

The Ministry of Finance shall not give a guarantee for or on-lend money to any State enterprise which does not operate a public utility business and the business results of which are losses for more than three consecutive years, except where a resolution to dissolve such State enterprise is passed by the Council of Ministers and the guaranteeing for or on-lending to such State enterprise is made during the dissolution process.

Section 30. The Ministry of Finance has the power to collect a guarantee fee or any other fee at the rates and under the conditions prescribed by a Ministerial Regulation.

CHAPTER IV

PUBLIC DEBT POLICY AND SUPERVISION COMMITTEE

Section 31. There shall be a committee called the “Public Debt Policy and Supervision Committee” consisting of the Minister of Finance as the Chairperson; one Deputy Minister of Finance entrusted by the Minister as the Vice-Chairperson; the Permanent Secretary of Finance, the Secretary-General of the National Economic and Social Development Board, the Director of the Bureau of the Budget, the Comptroller-General, the Director-General of the State Enterprise Policy Office, the Director of the Fiscal Policy Office, and the Governor of the Bank of Thailand, as *ex officio* members; and three qualified persons appointed by the Council of Ministers, as members.¹⁵

The Director-General of the Office of the Public Debt Management Office shall be a member and secretary, and not more than two other persons specified by the Committee shall be assistant secretaries.

The qualified persons under paragraph one shall be considered and appointed from the persons with knowledge, expertise and experience in finance, public

¹⁵ Section 31 paragraph one is amended by the Public Debt Management Act (No. 3), B.E. 2560 (2017).

finance, public debt management, budgetary affairs or law, and must possess the qualifications and not be under any of the prohibitions as follows:

- (1) being of Thai nationality;
- (2) not being a State official, except a permanent lecturer in an institution of higher education;
- (3) not being a person holding a political position, an advisor to a political party or an officer of a political party;
- (4) not having conflict of interest in public debt management.

Section 32. A member appointed by the Council of Ministers shall hold the position for a term of three years.

In the case where a member appointed by the Council of Ministers vacates the position before the expiration of term, the person appointed for replacement shall hold the position for the remaining term of office of the member already appointed.

Upon expiration of the term under paragraph one, if a new member has not yet been appointed, the member who vacates the position upon the expiration of term shall remain in the position to continue performing the duties until a new member is appointed.

A member who vacates the position upon the expiration of term may be reappointed, but may not be appointed for more than two consecutive terms.

During the period in which a new qualified member under this section has not yet been appointed, the Committee shall be deemed to consist of all the remaining members, and such Committee shall continue to perform the duties, whereby it shall consist of at least one qualified member.¹⁶

Section 33. In addition to vacating position upon expiration of term, a member appointed by the Council of Ministers vacates the position upon:

- (1) death;
- (2) resignation;

¹⁶ Section 32 paragraph five is added by the Public Debt Management Act (No. 3), B.E. 2560 (2017).

- (3) being dismissed by the Council of Ministers on the grounds of disgraceful behavior or dishonesty or negligence in the performance of duties or incapability;
- (4) being a bankrupt;
- (5) being an incompetent person or a quasi-incompetent person;
- (6) being imprisoned due to a final judgment to a term of imprisonment, except for an offence committed through negligence or a petty offence;
- (7) being disqualified or being under any of the prohibitions under section 31 paragraph three.

Section 34. At a meeting of the Committee, the presence of not less than one-half of the total number of its members is required to constitute a quorum. If the Chairperson does not attend or is not present at a meeting, the Vice-Chairperson shall preside over the meeting. If the Chairperson and the Vice-Chairperson do not attend or are not present at a meeting, the members present shall elect one among themselves to preside over the meeting.

A decision of the meeting shall be made by a majority of votes. In casting a vote, each member shall have one vote. In case of an equality of votes, the presiding person shall have an additional vote as the casting vote.

Section 35.¹⁷ The Committee shall have the powers and duties as follows:

- (1) reporting public debt status to the Council of Ministers for information within sixty days from the date the Council of Ministers states its policy to the National Assembly after taking office;
- (2) proposing a public debt management plan for each fiscal year to the Council of Ministers for consideration and approval, provided that if the plan is revised during the year but its amount does not exceed that approved by the Council of Ministers, the revision shall be the power of the Committee, and the Committee shall submit a report to the Council of Ministers for information;
- (3) prescribing rules on loan raising, guaranteeing, debt repayment, public debt restructuring and development of the domestic debt instrument market, including rules relating to expenses incurred in loan raising and issuance and management of debt

¹⁷ Section 35 is amended by the Public Debt Management Act (No. 2), B.E. 2551 (2008).

instruments, provided that where the rules have been approved by the Council of Ministers, State agencies, agencies under State supervision, local administrative organisations, State enterprises and State financial institutions shall be bound to act in compliance therewith;

(4) presenting recommendations for the issuance of the Ministerial Regulation under section 25/1, section 26 and section 30;

(5) appointing a qualified person who possesses knowledge and expertise to be an advisor to the Committee, or appointing a sub-committee for considering or acting on any matter as entrusted by the Committee;

(6) performing any other act in accordance with this Act or as entrusted by the Council of Ministers.

Section 36. The Public Debt Management Office shall have the duty to be responsible for general affairs of the Committee, and shall have the powers and duties as follows:

(1) studying and analysing public debt structure, public debt management, financial need of public sector, as well as debt of local administrative organisations and debt of State enterprises which conduct money lending business, asset management business or loan insurance business which are not guaranteed by the Ministry of Finance, and reporting on debt of local administrative organisations and State enterprises which conduct money lending business, asset management business or loan insurance business which are not guaranteed by the Ministry of Finance to the Committee;¹⁸

(2) performing any act in connection with public debt management, as well as raising of loan as a reserve for treasury balance, disbursement of loan and repayment of debt;

(3) providing consultation and recommendations to, and enhancing capabilities of State enterprises, local administrative organisations and other State agencies, for the purpose of efficient debt management;

(4) monitoring the performance of contracts concluded with sources of loans, and evaluating the outcomes of the undertaking using the loan;

(5) performing administrative work of the Committee;

¹⁸ Section 36 (1) is amended by the Public Debt Management Act (No. 3), B.E. 2560 (2017).

(6) performing other acts prescribed by this Act or other law to be the powers and duties of the Office or as entrusted by the Council of Ministers or the Committee.

For the benefits of exercising the powers and duties under paragraph one, the Office shall have the power to call on a State agency, State enterprise and local administrative organisation to submit relevant information or document.¹⁹

CHAPTER V
PUBLIC DEBT RESTRUCTURING AND
DOMESTIC BOND MARKET DEVELOPMENT FUND²⁰

Section 36/1.²¹ There shall be established a fund in the Ministry of Finance called the “Public Debt Restructuring and Domestic Bond Market Development Fund”.

The Fund shall be a juristic person having the objective of managing the money received from the raising of loan for public debt restructuring under section 24/1 and the raising of loan for development of the domestic debt instrument market under section 25/1, and shall have the powers to perform any acts which are necessary or incidental to the achievement of such objective.

Section 36/2.²² The Fund shall be ascribed the status of a State agency, which is neither a government agency under the law on State administration, nor a State enterprise under the law on budgetary procedure or other laws.

Section 36/3.²³ The affairs of the Fund shall not be subject to the law on labor protection, the law on labor relations of State enterprise, the law on labor relations, the law on social security and the law on compensation.

¹⁹ Section 36 paragraph two is added by the Public Debt Management Act (No. 3), B.E. 2560 (2017).

²⁰ Chapter V is added by the Public Debt Management Act (No. 2), B.E. 2551 (2008).

²¹ Section 36/1 is added by the Public Debt Management Act (No. 2), B.E. 2551 (2008).

²² Section 36/2 is added by the Public Debt Management Act (No. 2), B.E. 2551 (2008).

²³ Section 36/3 is added by the Public Debt Management Act (No. 2), B.E. 2551 (2008).

Section 36/4.²⁴ The Fund consists of the money and properties as follows:

- (1) money received from the raising of loan for public debt restructuring under section 24/1;
- (2) money received from the raising of loan for development of the domestic debt instrument market under section 25/1;
- (3) subsidies from the Government;
- (4) money or properties received from the operation of the Fund;
- (5) money or properties received from a donation or a gift to the Fund;
- (6) fruits of the money or properties of the Fund.

Money and properties of the Fund are not required to be remitted to the Treasury under the law on budgetary procedure and the law on treasury reserve.

Section 36/5.²⁵ Money and properties of the Fund under section 36/5 shall be assigned to the following accounts:

- (1) Public Debt Restructuring Account for receiving the money under section 36/4 (1), as well as the money and properties under section 36/4 (3), (4), (5) or (6) received by the Fund from the management for the purpose of public debt restructuring or for support of such undertaking;
- (2) Domestic Debt Instrument Market Development Account for receiving the money under section 36/4 (2), as well as the money and properties under section 36/4 (3), (4), (5) or (6) received by the Fund from the management for the purpose of development of the domestic instrument market or for support of such undertaking.

Section 36/6.²⁶ The Ministry of Finance shall spend the money in the Public Debt Restructuring Account as follows:

- (1) repaying the principal of the public debt which will be restructured under section 24/1;
- (2) paying the interest and other expenses in connection with the raising of a loan under section 24/1;

²⁴ Section 36/4 is added by the Public Debt Management Act (No. 2), B.E. 2551 (2008).

²⁵ Section 36/5 is added by the Public Debt Management Act (No. 2), B.E. 2551 (2008).

²⁶ Section 36/6 is added by the Public Debt Management Act (No. 2), B.E. 2551 (2008).

(3) paying the expenses incurred in the management of the Fund as prescribed by the Board of the Fund;

(4) paying other expenses relating to the operation of the Fund as prescribed by the Board of the Fund.

Section 36/7.²⁷ The Ministry of Finance shall spend the money in the Domestic Debt Instrument Market Development Account as follows:

(1) redeeming debt instruments issued under section 25/1;

(2) paying the interest and other expenses in connection with the issuance of debt instruments under section 25/1;

(3) paying the expenses incurred in the management of the Fund as prescribed by the Board of the Fund;

(4) paying other expenses relating to the operation of the Fund as prescribed by the Board of the Fund.

Section 36/8.²⁸ In the period during which there is no necessity to spend the money of the Fund under section 36/6 and section 36/7, the money of the Fund may be invested as follows:

(1) in case of domestic investment, the money shall be invested in the following:

(a) debt instruments issued or guaranteed by the Ministry of Finance;

(b) debt instruments issued by the Bank of Thailand;

(c) other debt instruments rated at the highest credit rating by a credit rating agency;

(d) making a purchase transaction with a repurchase agreement of debt instruments issued by the Ministry of Finance or the Bank of Thailand;

(e) deposit or certificate of deposit of a State financial institution or a commercial bank as prescribed by the Board of the Fund;²⁹

²⁷ Section 36/7 is added by the Public Debt Management Act (No. 2), B.E. 2551 (2008).

²⁸ Section 36/8 is added by the Public Debt Management Act (No. 2), B.E. 2551 (2008).

²⁹ Section 36/8 (1) is amended by the Public Debt Management Act (No. 3), B.E. 2560 (2017).

(2) in case of investment made in a foreign country, the money shall be invested in debt instruments issued in a major currency and issued or guaranteed by a foreign government, a financial institution of a foreign government or an international financial institution, provided that such debt instrument must be rated at the highest credit rating by a credit rating agency.

In undertaking an investment under paragraph one, suitable stability, returns and risks shall be taken into account. In this regard, transactions may be undertaken to prevent the risks associated with the investment. The Board of the Fund shall prescribe rules and conditions relating to the investment, as well as a list of names of the major currencies and credit rating agencies.

Section 36/9.³⁰ *(Repealed)*

Section 36/10.³¹ There shall be a board called the “Board of the Public Debt Restructuring and Domestic Bond Market Development Fund”, consisting of the Permanent Secretary of Finance as Chairperson, the Director of the Bureau of the Budget, the Comptroller-General, the Director of the State Enterprise Policy Office, the Director of the Fiscal Policy Office, the Governor of the Bank of Thailand, the Secretary-General of the Office of the Securities and Exchange Commission and the President of the Stock Exchange of Thailand as directors.

The Director of the Public Debt Management Office shall be director and secretary, and not more than two other persons appointed by the Board of the Fund shall be assistant secretaries.

Section 36/11.³² The Board of the Fund has the powers and duties as follows:

(1) supervising the management of the Fund to ensure the compliance with the objective of the Fund;

(2) prescribing rules and conditions relating to investment of the money of the Fund and making of transactions to avoid the risks associated with the investment;

³⁰ Section 36/9 is repealed by the Public Debt Management Act (No. 3), B.E. 2560 (2017).

³¹ Section 36/10 is added by the Public Debt Management Act (No. 2), B.E. 2551 (2008).

³² Section 36/11 is added by the Public Debt Management Act (No. 2), B.E. 2551 (2008).

(3) prescribing rules and conditions on maintenance and disbursement of money of the Fund;

(4) supervising the operation of the Fund Manager, Assistant Fund Managers and Asset Manager of the Fund in the course of their management of the money of the Fund;

(5) issuing regulations on the performance of duties of the Fund Manager, Assistant Fund Managers and Asset Manager of the Fund;

(6) prescribing rules and conditions on delegation of powers to other person for acting on behalf of the Fund Manager;

(7) issuing regulations, rules, notifications or orders relating to the management of the activities of the Fund, expenses incurred in the management of the Fund and other expenses relating to the operation of the Fund, personnel administration, employment of an Asset Manager of the Fund, accounting and internal audit;

(7/1) appointing a subordinate board to perform any acts as entrusted by the Board of the Fund;³³

(8) perform any other acts to ensure the compliance with the objective of the Fund as prescribed in this Act.

Section 36/12.³⁴ Section 34 shall apply to a meeting of the Board of the Fund and the subordinate board appointed by the Board of the Fund *mutatis mutandis*, and members of the Board of the Fund and the subordinate board shall receive a meeting allowance or other remuneration as prescribed by the Minister.³⁵

Section 36/13.³⁶ The Director of the Public Debt Management Office shall be the Fund Manager, and have the duty to operate the Fund in accordance with the objective of the Fund and as prescribed by the Board of the Fund.

³³ Section 36/11 (7/1) is added by the Public Debt Management Act (No. 3), B.E. 2560 (2017).

³⁴ Section 36/12 is added by the Public Debt Management Act (No. 2), B.E. 2551 (2008).

³⁵ Section 36/12 is amended by the Public Debt Management Act (No. 3), B.E. 2560 (2017).

³⁶ Section 36/13 is added by the Public Debt Management Act (No. 2), B.E. 2551 (2008).

The Board of the Fund may appoint an Assistant Fund Manager to assist the Fund Manager in the performance of duties.

Section 36/14.³⁷ In external affairs *vis-à-vis* third persons, the Fund Manager shall be the person authorised to act on behalf of the Fund. For this purpose, the Fund Manager may delegate the power to other person to perform any act on his or her behalf, provided that this shall be in accordance with the rules and conditions prescribed by the Board of the Fund.

Section 36/15.³⁸ The Fund Manager and Assistant Fund Managers may receive remuneration or other benefits as determined by the Board of the Fund upon approval of the Minister. The remuneration and benefits shall be deemed expenses of the Fund.

Section 36/16.³⁹ The Fund Manager, upon approval of the Board of the Fund, may employ an Asset Manager of the Fund to perform the duty of management of the money and properties of the Fund.

The rules, procedures and conditions for selection as well as qualifications of the Asset Manager of the Fund shall be as prescribed by the Board of the Fund.

Section 36/17.⁴⁰ The Fund shall report its operation results and financial status on a quarterly basis to the Board of the Fund for reporting to the Minister within forty-five days from the last day of each quarter.

At the end of each year, the Fund shall report its operation results, financial status and financial statement certified by the auditor to the Board of the Fund for further submission to the Minister and the Council of Ministers.

Section 36/18.⁴¹ The accounting year of the Fund shall be the fiscal year.

³⁷ Section 36/14 is added by the Public Debt Management Act (No. 2), B.E. 2551 (2008).

³⁸ Section 36/15 is added by the Public Debt Management Act (No. 2), B.E. 2551 (2008).

³⁹ Section 36/16 is added by the Public Debt Management Act (No. 2), B.E. 2551 (2008).

⁴⁰ Section 36/17 is added by the Public Debt Management Act (No. 2), B.E. 2551 (2008).

⁴¹ Section 36/18 is added by the Public Debt Management Act (No. 2), B.E. 2551 (2008).

Section 36/19.⁴² The accounting of the Fund shall be in accordance with the accounting standard prescribed by the law on accounting or other generally accepted accounting standard as prescribed by the Board of the Fund. In this regard, an internal audit of activities of the Fund shall be conducted, and the result thereof shall be reported to the Board of the Fund for information at least once a year.

Section 36/20.⁴³ The Fund shall prepare a financial statement for submission to the auditor within ninety days from the last day of an accounting year.

The Office of the Auditor General shall be the auditor of the Fund, and shall prepare an audit report for submission to the Minister every year.

TRANSITORY PROVISIONS

Section 37. This Act shall not affect any loan raising, money lending, guaranteeing and debt restructuring made by the Ministry of Finance prior to the date this Act comes into force.

Countersigned by:

Police Lieutenant Colonel Thaksin Shinawatra

Prime Minister

⁴² Section 36/19 is added by the Public Debt Management Act (No. 2), B.E. 2551 (2008).

⁴³ Section 36/20 is added by the Public Debt Management Act (No. 2), B.E. 2551 (2008).

Public Debt Management Act, B.E. 2548 (2005)

Remarks: The reasons for the promulgation of this Act are as follows. Thailand had recently experienced a serious economic crisis, which results in the rapid increase of public debt of the country, it is therefore necessary to efficiently manage the public debt, which has been incurred and is yet to be incurred. However, as the provisions relating to the incurrence of debt, guarantee of debt and restructuring of debt currently in force do not accommodate the management of public debt of the country and are separated in several laws, it is thus expedient to revise those laws to be more systematic and uniform. In addition, there are several agencies having the duty and responsibility in the management of public debt, it is thus expedient to have only one central agency having the duty and responsibility to manage public debt in a systematic and efficient manner, and to generally control and supervise the incurrence of public debt to ensure that it is consistent with the financial and fiscal status of the country. It is therefore necessary to enact this Act.

Public Debt Management Act (No. 2), B.E. 2551 (2008)

Remarks: The reasons for the promulgation of this Act are as follows. In the management of public debt, there must be an appropriate mechanism to implement the management in an efficient manner. However, at present, there are still certain limitations in the implementation, it is therefore expedient to empower the Ministry of Finance to restructure debt by shortening the debt repayment period, raising loan to restructure public debt before the debt is due and raising loan in foreign currency or in Thai baht for on-lending to other agencies. In addition, to ensure the continuous development of the debt instrument market, it is necessary that there are debt instruments issued by the Ministry of Finance in an amount sufficient to create an interest rate which can serve as a benchmark in the debt instrument market. It is thus also necessary to provide for the Ministry of Finance to have the power to raise loan for the development of domestic debt instrument market. The money obtained from the raising of loan to restructure debt before its due date and the raising of loan for the development of domestic debt instrument market should be managed by the Public Debt Restructuring and Domestic Bond Market Development Fund which is under the supervision of the Board of the Public Debt Restructuring and Domestic Bond Market Development Fund. Additionally, it is expedient to appropriately adjust the powers and duties of the Public Debt Policy and Supervision Committee. It is therefore necessary to enact this Act.

Public Debt Management Act (No. 3), B.E. 2560 (2017)

Remarks: The reasons for the promulgation of this Act are as follows. As it is expedient to re-determine the definition of public debt to improve its clarity, which did not include debt of State enterprises which conduct money lending business, asset management business or loan insurance business which are not guaranteed by the Ministry of Finance, and debt of the Bank of Thailand, as well as to change the composition of the Public Debt Policy and Supervision Committee and the powers and duties of the Public Debt Management Office, and to amend the powers and duties of the Board of the Public Debt Restructuring and Domestic Bond Market Development Fund and the investment rules of the Fund. This is in order to increase flexibility and efficiency of the operation of the Fund. It is therefore necessary to enact this Act.

Public Debt Management Act (No. 4), B.E. 2561 (2018)

Remarks: The reasons for the promulgation of this Act are as follows. It is expedient to additionally empower the Ministry of Finance to raise loan for the purpose of managing the liquidity of treasury reserves so that liquidity of the treasury reserves be managed in a more efficient manner. In addition, it is expedient to authorise the Minister of Finance to extend the time limit beyond the last day of the fiscal year for the raising of loan with the purpose of financing a budget deficit or where the expenditure exceeds the revenue, for the case where the disbursement of budget after the last day of the fiscal year is approved. These will be beneficial to the management of treasury reserves as well as the planning of loan raising of the Government in general. It is therefore necessary to enact this Act.