

EMERGENCY DECREE
AUTHORISING THE MINISTRY OF FINANCE TO RAISE A LOAN
TO REINFORCE THE STABILITY OF THE FINANCIAL INSTITUTION SYSTEM,
B.E. 2541 (1998)

BHUMIBOL ADULYADEJ, REX.

Given on the 22nd Day of August B.E. 2541;

Being the 53rd 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 authorising the Ministry of Finance to raise a loan to reinforce the stability of the financial institution system;

By virtue of the provisions in section 218 of the Constitution of the Kingdom of Thailand, the King hereby issues the Emergency Decree as follows:

Section 1. This Emergency Decree is called the “Emergency Decree Authorising the Ministry of Finance to Raise A Loan to Reinforce the Stability of the Financial Institution System, B.E. 2541 (1998)”.

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

Section 3. The Ministry of Finance, with approval from the Council of Ministers, shall have the power to raise a loan from domestic sources of loan in the name of the Government of the Kingdom of Thailand, to be used in the measures for reinforcing the stability of the domestic financial institution system.

* Published in the Government Gazette, Vol. 115, part 51a, page 1, dated 23rd August B.E. 2541.

The raising of loan under paragraph one shall be carried out within the period of no later than the 31st day of December, B.E. 2543.

The aggregate amount of the loan under paragraph one shall not exceed three-hundred billion baht.

Section 4. In the raising of loan under this Emergency Decree, the Ministry of Finance, apart from entering into a loan agreement, shall have the power to raise a loan through the issuance of bonds or other instruments from time to time.

The money obtained through the raising of loan under paragraph one shall be used for the purpose of which the money is loaned, without having to be remitted to the Treasury pursuant to the law on budgetary procedure and the law on treasury reserves.

Section 5. Interest rate, condition, fee, expenditure, management and procedure in relation to each raising of loan, and the term of principal repayment, shall be as approved by the Council of Ministers.

Section 6. Each raising of loan shall be published in the Government Gazette within a month from the date of entering into the loan agreement or of the issuance of bonds or other instruments. The publication shall contain the amount of the loan, interest rate, condition, fee, all expenditure, term of principal repayment and the purpose of spending of such loan.

Section 7. In the case where the Ministry of Finance deems it appropriate to restructure its debt under section 3 or extend the term of repayment or reduce the burden of the original debt, the Ministry of Finance, with approval from the Council of Ministers, shall have the power to raise a loan from domestic sources of loan for such undertakings. The provisions of section 4, section 5 and section 6 shall apply *mutatis mutandis*.

The amount of loan under paragraph one shall not be included in the aggregate amount under section 3.

Section 8. The Minister of Finance or a person entrusted by the Minister of Finance shall have the power to raise a loan in accordance with this Emergency Decree.

Section 9. The Minister of Finance shall have charge and control of the execution of this Emergency Decree.

Countersigned by

Chuan Leekpai

Prime Minister

Remarks: The reasons for the promulgation of this Emergency Decree are as follows. Due to the problems in increasing capital and the large amount of non-performing assets faced by the financial institution system of Thailand, resulting in the financial institution system losing its stability and its ability to fully grant credit to economic sectors, the government needs to step in to urgently stimulate the increase of capital in several financial institutions. Thereby the need to raise a loan to solve such problems arises. And as it is the case of urgent necessity which cannot be avoided for the benefit of preserving economic stability of the country, it is therefore necessary to enact this Emergency Decree.