

EMERGENCY DECREE
AUTHORISING THE MINISTRY OF FINANCE TO RAISE A LOAN
FOR THE RESTORATION AND REINFORCEMENT OF ECONOMIC STABILITY,
B.E. 2552 (2009)

BHUMIBOL ADULYADEJ, REX.
Given on the 13th Day of May B.E. 2552;
Being the 64th 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 for the restoration and reinforcement of economic stability;

By virtue of the provisions in section 184 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 for the Restoration and Reinforcement of Economic Stability, B.E. 2552 (2009)”.

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 in Thai Baht in the name of the Government of the Kingdom of Thailand to be used for the undertaking of measures to restore and reinforce economic stability of the country, whereby the Council of Ministers shall propose

* Published in the Government Gazette, Vol. 126, part 28a, page 1, dated 13th May B.E. 2552.

the scope of spending of such loan under this Emergency Decree to the National Assembly for information prior to the undertaking.

The loan raised under paragraph one shall not exceed the aggregate amount of four hundred billion baht and shall be done within the specified period of no later than 31st day of December B.E. 2553.

Section 4. Money obtained through the raising of loan under section 3 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, except where the Council of Ministers passes a resolution that such money shall be added to the treasury reserves.

The Ministry of Finance may on-lend the money received from the raising of loan to State agencies, agencies under State supervision, local administrative organisations, State enterprises, or other State financial institutions under the law on public debt management, to be used or invested to restore or reinforce economic stability.

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

Section 6. Expenses incurred by the raising of loan and the issuance and management of debt instruments may be paid by the money set up in the annual expenditure budget or the money of such loan.

Section 7. Within sixty days from the date of the end of fiscal year, the Ministry of Finance shall report its raising of loan under this Emergency Decree in preceding fiscal year to the National Assembly for information. The report shall contain at least the detail of the loan, the purpose of spending, including the achievement and the benefit received or expected to be received thereof.

Section 8. The Ministry of Finance shall, with approval of the Council of Ministers, have the power to restructure the loan under section 3 by means of refinancing existing debt, 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 the debt restructuring.

Section 9. The raising of loan for the restructuring of debt under section 3 shall be made only for the purposes of economies, minimizing foreign exchange risk or diversifying burden of debt repayment, whereby the Ministry of Finance may raise a loan in different currency from that of the original debt.

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

In the case where the 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.

Section 10. The Public Debt Restructuring and Domestic Bond Market Development Fund shall perform the duty of managing the money obtained through the raising of loan for debt restructuring as prescribed in this Emergency Decree.

The money obtained through the raising of loan for debt restructuring under section 9 paragraph three shall be submitted to the Public Debt Restructuring and Domestic Bond Market Development Fund, whereby it shall be added to the Public Debt Restructuring Account, and shall be used by the Ministry of Finance to repay the principal and interest, and to pay for other expenses related to the raising of such loan for debt restructuring.

Section 11. The Public Debt Management Office shall have the power and duty to undertake any actions in relation to loan administration and management, loan disbursement, debt repayment and any other actions in relation to the raising of loan under this Emergency Decree.

Section 12. Except for the cases already specified in this Emergency Decree, the provisions of the law on public debt management shall apply *mutatis mutandis*.

Section 13. The Minister of Finance shall have charge and control of the execution of this Emergency Decree.

Countersigned by

Abhisit Vejjajiva

Prime Minister

Remarks: The reasons for the promulgation of this Emergency Decree are as follows. Due to the crisis of the international financial institution system which leads to worldwide economic depression and severe impact on the economic sector of Thailand. To solve the problem, the government has undertaken several measures to stimulate the economy for the past period of time but these have proved to be insufficient, along with the collection of government revenue which is significantly below the estimation resulting in the inability of the government to carry out public administration and the provision of public services. Consequently, in order to restore the economy of the country to the normal state without delay, there arises the need for the government to spend money to undertake the measures to restore the economy with continuity and without delay, which cannot be achieved due to limitations on the ability of the government to raise a loan under the law currently in force. In order for the Ministry of Finance to have the power to raise a loan in the name of the Government for spending or investing, and in order to undertake the measures essential and urgently necessary which cannot be avoided for the benefit of preserving economic stability of the country, it is therefore necessary to enact this Emergency Decree.