

MINISTERIAL REGULATION
PRESCRIBING RULES, PROCEDURES AND CONDITIONS
ON ON-LENDING OF THE MINISTRY OF FINANCE,
B.E. 2551 (2008)*

By virtue of section 5 of the Public Debt Management Act, B.E. 2548 (2005) and section 25 paragraph one of the Public Debt Management Act B.E. 2548 (2005) as amended by the Public Debt Management Act (No.2), B.E. 2551 (2008), the Minister of Finance hereby issues the Ministerial Regulation as follows:

Clause 1. In this Ministerial Regulation:

“borrower” means a State agency, an agency under State supervision, a local administrative organisation, a State enterprise or a State financial institution.

Clause 2. A project or work plan of a borrower based upon which the Ministry of Finance may initiate on-lending shall be a project or work plan under section 25.

Clause 3. When the Ministry of Finance has raised loan for on-lending, it shall expeditiously conclude an on-lending agreement with the borrower.

The on-lending agreements shall be in the form prescribed by the Minister, which shall at least contain the following items:

- (1) names of the contracting parties;
- (2) purpose of loan use;
- (3) amount and currency of the loan facility;
- (4) procedures and conditions on disbursement of the loan;
- (5) interest rate, fee and other expenses in connection with the on-lending;

* Published in the Government Gazette, Vol. 125, Part 90a, dated 30th July B.E. 2551 (2008).

(6) amount, period and method for repayment of the principal and payment of interest, fee and other expenses in connection with the on-lending;

(7) interest in case of default;

(8) causes for rescission of the contract.

Clause 4. With respect to withdrawal of loan proceeds, the borrower shall send a written notice to the Ministry of Finance in order to withdraw the loan proceeds, except where the Ministry of Finance agrees to allow the borrower to directly withdraw the proceeds from the source of the loan, in which case the borrower shall report the withdrawal to the Ministry of Finance within three working days from the date on which the withdrawal is made.

Clause 5. In the case where the Ministry of Finance agrees to allow the borrower to repay the principal, or pay the interest or other related expenses directly to the source of the loan, the borrower shall report the repayment or payment to the Ministry of Finance together with documents or evidence of the repayment or payment within three working days of the date of repayment or payment to the source of the loan.

Clause 6. For the purpose of monitoring the loan disbursement of the borrower, the borrower shall report the result of the implementation of the project or work plan in which the loan is used to the Ministry of Finance as prescribed by the Minister.

Given on the 7th day of July B.E. 2551 (2008)

Surapong Suebwonglee

Minister of Finance

Remarks: The reasons for the promulgation of this Ministerial Regulation are as follows. Whereas section 25 paragraph one of the Public Debt Management Act B.E. 2548 (2005) as amended by the Public Debt Management Act (No.2), B.E. 2551 (2008) provides that 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 necessary for economic and social development, if the raising of the 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 a loan for on-lending to such an agency under the rules, procedures and conditions prescribed by a Ministerial Regulation, it is therefore necessary to issue this Ministerial Regulation.