

Translation

NOTIFICATION OF THE PUBLIC DEBT POLICY AND SUPERVISION COMMITTEE  
RE: RULES AND AMOUNT OF MONEY IN PROVIDING GUARANTEE AND ON-LENDING  
TO STATE ENTERPRISES OR STATE FINANCIAL INSTITUTIONS\*

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By virtue of section 29 paragraph one of the Public Debt Management Act, B.E. 2548 (2005), the Public Debt Policy and Supervision Committee hereby issues the Notification as follows:

**Clause 1.** In this Notification:

“debt of State enterprise” means short-term loan debts incurred, owed to a financial institution or incurred from issuance of short-term debt instruments for raising of a loan, and long-term debts, including long-term debts which are due and payable within one year, but shall not include short-term debts which are trade payables and other current liabilities;

“debt of State financial institution” means short-term loan debts borrowed from a financial institution or the Bank of Thailand or incurred from issuance of short-term debt instruments for raising of a loan, and long-term debts, including long-term debts which are due and payable within one year, but shall not include debts incurred from acceptance of deposit from the public, short-term debts which are trade payables and other current liabilities;

“capital funds” means paid-up capital, share premium, statutory reserve, money received from issuance of share warrants, reserves derived from net profit, net profit remaining after appropriation and reserve from asset valuation, and in case of State financial institutions, shall also include money received from issuance of long-term debt instruments with maturity period exceeding five years and with the right ranked after ordinary creditors.

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\* Published in the Government Gazette, Vol. 125, Part 125d, Special Issue, dated 30<sup>th</sup> July B.E. 2551 (2008).

**Clause 2.** The Ministry of Finance may provide guarantee or on-lending to a State enterprise or a State financial institution in the amount which, after including debts of the State enterprise or State financial institution as the case may be, shall not exceed the following at the time the debt is incurred:

(1) in case of a State enterprise which is a limited company or a public limited company, not exceeding three times of capital funds in that State enterprise;

(2) in case a State financial institution, not exceeding six times of capital funds of that State financial institution.

**Clause 3.** In the case where the Ministry of Finance will provide guarantee for or on-lend to a State enterprise or State financial institution in the amount exceeding that prescribed in clause 2, the Ministry of Finance shall apply for approval from the Committee on a case-by-case basis. In this regard, the reasons and necessity of providing guarantee or on-lending shall be stated for consideration by the Committee.

**Clause 4.** In providing guarantee or on-lending to a government organisation under the law on establishment of government organisation, a State undertaking established by law or a business entity owned by Government, the Committee shall consider the amount of money as necessary and appropriate, taking into consideration the public debt management plan of that fiscal year.

For the purpose of the consideration of the Committee under paragraph one, the Ministry of Finance shall also submit to the Committee a recommendation on the appropriate amount of guarantee or on-lending.

Published on the 7<sup>th</sup> day of July B.E. 2551 (2008)

Surapong Suebwonglee

Minister of Finance

Chairperson of the Public Debt Policy and Supervision Committee