

Ministry of Finance
Special Savings Bonds
“Moving Forward”
The Fiscal Year B.E. 2563

Frequently Asked Questions

FAQs

1. What makes these Savings Bonds so attractive compared to fixed deposit?

Savings Bonds are issued by the Ministry of Finance (MOF) with the Bank of Thailand (BOT) acting as a registrar. The bonds are therefore regarded as a secure investment that investors will receive the full amount of principal at the maturity date, plus the fixed interest rate payment, semi-annually. Bondholders may also find that the interest rate that Savings Bonds provide is higher than the fixed interest rate of bank deposits.

2. What are the benefits of scripless Savings Bonds?

Firstly, bondholders have no burden on storage. Secondly, at the maturity date, bondholders will automatically receive principal transferred to their bank account without having to return the bond certificate to the BOT.

3. How to purchase the scripless Savings Bonds?

Investors are invited to purchase Savings Bonds through the following channels:

3.1 The bank counter: bondholders have to register and open a securities depository account and savings account at the appointed agent banks (BBL, Kbank, KTB, and SCB). The buying transaction can be made from August 26th to September 11th 2020 or until the bonds are sold out. A reservation form is provided on the Public Debt Management Office website. (<http://www.pdmo.go.th/th/bond-channels>)

3.2 Internet Banking, or Mobile Application: bondholders must follow instructions in 3.1 and inform the agent banks to apply for internet banking or mobile application service so that bondholders can buy Savings Bonds via internet banking or mobile application. The bondholders can conveniently purchase Savings Bond 24-hours through this channel.

4. What can be used as the proof of purchases for the scripless Savings Bonds?

Listed below is considered the proof of purchase to confirm a successful transaction.

4.1 The bank counter: bondholders will get a confirmation of bond purchase.

4.2 Internet Banking or Mobile Application: bondholders will be informed of successful transactions on the screen when the payment is completed.

- The new bondholders will receive the Minister of Finance bond book at the time of the transaction or within two (2) working days of the date of transactions, which provides details of the purchasing transaction. For bondholders who already have the bond book, they can update their bond book after two (2) working days.

The details in the bond book will be shown at the par value of the registered date and at the market value of any agent bank on the transaction date. Once the transactions appeared in bond book and in the bank system are the same, the transaction is recognized as accurate. The transaction details display only for scripless Savings Bonds purchased from the agent banks from FY. B.E. 2555 to date and can be updated only through the agent bank

which the Savings Bond was purchased. The principal payment will be at the par value on the redemption date.

5. Can a group of persons or a private fund invest in Savings Bonds?

Neither a group of persons nor a private fund can buy Savings Bonds since they are not a juristic person according to the Civil and Commercial Code.

6. Do investors need the spouse's approval to buy Savings Bonds?

No. They don't.

7. Why investors who buy the same series of Savings Bonds receive the first amount of interest payment differently?

Since the subscription date of each investor is different, the first amount of interest payment is calculated differently for each investor. The time period used for the first interest payment calculation begins from subscription date to the date before the first amount of interest must be paid. For example

- Mr. A bought 7-year special savings bonds of ₱500,000 in cash on August 26th 2020. The first interest payment will be on February 26th 2021. The time period to calculate the interest payment is from August 26th 2020 to February 25th 2021 which is 184 days.

- Mr. B bought 7-year savings bonds of ₱500,000 in cash on August 28th 2020. The first interest payment will be on February 26th 2021. The time period to calculate the interest payment is from August 28th 2020 to February 25th 2021 which is 182 days.

For the next period of interest payment, the time period to calculate the interest payment of Mr. A and Mr. B will be exactly the same.

8. How to claim the personal income tax refund?

Bondholders are eligible to claim the refund of personal income tax deducted from interest payment by filing their withholding tax certificate issued by the BOT if their tax rate of net annual personal income is less than 15%.

9. Is there any fee for interest or principal transfer to bondholders' accounts?

Interest and principal will be paid automatically into bondholders' savings accounts and there is no fee for such a transfer.

10. Is it possible to receive the interest or principal payments paid by cash or cheque?

No, the Bank of Thailand will automatically transfer the interest and principal payments to bondholders' savings accounts only (except for the special savings account and fixed deposit account).

11. Which channels should be used to inform of personal information changes such as name, family name, title, address, interest or principal receiving account etc.?

For scripless Savings Bonds.

Please contact the selling agent banks and bring bond book and other documents that can be a reference for editing your profile.

For scrip Savings Bonds.

Please directly contact the Bank of Thailand, either head office or regional offices, to process further actions.

12. Can the agent banks provide a bond verification certificate or ownership certificate (in case of scripless Savings Bonds)? How much is the fee?

The agent banks are able to issue a bond verification certificate or ownership certificate (in case of scripless Savings Bonds) with transaction and service fees charged at around 50 - 200 baht per certificate. Please refer to the agent banks' terms and conditions and contact the agent banks for more details.

13. Is it possible to convert Savings Bonds from scripless into scrip? What are the fees and charges involved? How long will it take to receive a bond certificate?

The scripless Savings Bonds can be issued in a scrip form (bond certificate). Bondholders must bring their bond book and apply for such requests at the agent banks. The costs of transaction is between 290 - 370 baht which is comprised of

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| 1) Fee paid to Thailand Securities Depository Co. Ltd (TSD) | 65 | baht per transaction
(VAT not included) |
| 2) Fee paid to the Bank of Thailand | | |
| Individuals (Natural person) | 20 | baht per certificate |
| Juristic person | 100 | baht per certificate
(VAT exempt) |
| 3) Fee paid to the agent banks | 200 | baht per certificate
(VAT included) |

Bondholders will receive bond certificates within 4 - 10 days depending on the agent banks' operations, excluding the delivery time from the branch to their head office.

14. From February 26th 2021 onward, can bondholders change the registered name to another other than the initial bondholder? For Example, Mr. A has bought Savings Bonds and would like to receive bond certificates in Mr. B's name instead.

Yes, he can transfer the ownership of the bond to Mr. B. In order to do so, Mr. A should contact the agent bank and fill in a bond ownership transfer form together with the required documents. There is no fee in case of ownership transfer among registered bondholders, who are clients of the same bank, but the agent bank may charge a fee of 250 baht (VAT included) for each ownership transfer to unregistered clients. After that, Mr. B may request the agent bank to issue his bond certificate.

15. Can bondholders transfer the ownership of the bond to other agent banks?

No, they cannot. The scripless bond transfer is permitted only within clients from the same bank and bondholders must present their bond books to the bank counter for further processing.

16. What are the risks to Savings Bonds holders?

As the information stated above, the Savings Bonds have no risk arising from principal and interest loss but a risk of opportunity loss from other alternative high returns e.g. when the interest rate of deposit account is higher than that of the Savings Bonds.

Furthermore, there is also a risk of change in par value of Savings Bonds (1,000 baht per par) before the maturity date. However, at the maturity date the bondholders will always receive full principal in return.

Additional information is available at

<http://www.bot.or.th/Thai/DebtSecurities>

<http://www.thaibma.or.th>

<http://www.thaibond.com/bondsearch.html>

17. How to redeem the Savings Bonds when they reach maturity?

For scripless Savings Bonds, the BOT will repay principal into the bondholder's savings account according to the name list and information received from the TSD on the last working days, 30 days before the redemption date.

For scrip Savings Bonds, the BOT will send a principal redemption form to the bondholders before the maturity date and will repay principal after receiving the bond certificate from the bondholders.

The Savings Bonds redemption documents are comprised of:

- (1) The filled principal redemption form with signature as registered with the BOT
- (2) The original matured scrip Savings Bonds

(3) A certified copy of the first page of the savings account of the bondholder

(4) In case of individuals, please attach a certified copy of Thai national ID card

In case of Juristic Person, attach a certified copy of juristic person certificate issued by the Ministry of Commerce, or a certified copy of registration certificate of establishment, the latest annual meeting report of the association/ foundation/ cooperatives, etc. and a certified copy of the authorized person's national ID card.

In case of Savings Bonds Redemption for Minors

- Minors aged under 15: their parents or a registered authorized person must sign the principal redemption form, and enclose a certified copy of registered address or a certified copy of birth certificate, a certified copy of the minors' ID card, and a certified copy of the parents' or a registered authorized persons' ID card, herewith.

- Minors aged between 15-20: minors and their parents or a registered authorized person must co-sign the principal redemption form and attach a certified copy of the minors' ID card, and a certified copy of the parents' or a registered authorized persons' ID card, herewith.

- Persons aged of 20: it is acceptable to refrain from informing the BOT that minors have reached legal age before Savings Bonds will reach maturity. However, Savings Bonds' principal must be transferred only to the minor child's bank account, stated in the principal redemption form and the parents or a registered authorized person must have their signatures as the bondholders and enclose a certified copy of the minors' ID card, and a certified copy of the parents' or a registered authorized persons' ID card, herewith.

18. How to transfer the ownership of Savings Bonds to descendants of bondholders who have passed away?

For scripless Savings Bonds, the executor or the administrator of the estate should contact the agent banks and request for estate administration.

For scrip Savings Bonds, the executor or the administrator of the estate should contact the BOT and file a request for estate administration referring to the BOT terms and conditions.