

**FOURTH SUPPLEMENTARY AGREEMENT TO THE MEMORANDUM OF
UNDERSTANDING ON ASEAN SWAP ARRANGEMENT
KATHMANDU, NEPAL, 21 JANUARY 1987**

WHEREAS, the ASEAN Central Banks and Monetary Authorities, in pursuit of their common objective to promote monetary cooperation among ASEAN member countries, have established on August 5, 1977, an ASEAN Swap Arrangement ("the Arrangement") for a period of one year, as laid down in the Memorandum of Understanding on ASEAN Swap Arrangement ("the Memorandum") signed on the said date;

AND WHEREAS, the ASEAN Central Banks and Monetary Authorities, in accordance with Article X of the Memorandum providing for the renewal of the Arrangement, have on September 26, 1978, entered into a Supplementary Agreement to the Memorandum of Understanding on ASEAN Swap Arrangement (hereinafter referred to as the First Supplementary Agreement") to, inter alia, renew the Arrangement for a further period of one year from August 5, 1978, and to modify certain provisions of the Memorandum.

AND WHEREAS, the ASEAN Central Banks and Monetary Authorities, in accordance with Article X of the Memorandum, as modified by the First Supplementary Agreement, providing for the renewal of the Arrangement, have on September 9 1979, entered into a Second Supplementary Agreement to the Memorandum of Understanding on ASEAN Swap Arrangement (hereinafter referred to as "the Second Supplementary Agreement") to renew the Arrangement for a further period of three years from August 5, 1979, and to modify certain provisions of the Memorandum.

AND WHEREAS, the ASEAN Central Banks and Monetary Authorities, have on January 16, 1981, agreed upon certain Amendments to the Memorandum of Understanding on ASEAN Swap Arrangement (hereinafter referred to as "the Amendments") to modify some provisions of the Memorandum;

AND WHEREAS, the ASEAN Central Banks and Monetary Authorities in accordance with Article X of the Memorandum, as modified by the Second Supplementary Agreement, entered into a Third Supplementary Agreement to the Memorandum of Understanding on ASEAN Swap Arrangement to renew the Arrangement for a further period of five years from August 5, 1982.

AND WHEREAS, Article X of the Memorandum as modified by the Second Supplementary Agreement, provides for the further renewal of the Arrangement upon agreement by the participants.

AND WHEREAS, the ASEAN Central Banks and Monetary Authorities are desirous of

further extending the Arrangement in the interest of closer ASEAN monetary cooperation.

THE ASEAN CENTRAL BANKS AND MONETARY AUTHORITIES hereby enter into a Fourth Supplementary Agreement to the Memorandum of Understanding on ASEAN Swap Arrangement (hereinafter referred to as "this Fourth Supplementary Agreement") under the following terms:

Article I

All provisions in the Memorandum, as modified by the First and the Second Supplementary Agreements and the Amendments concerning the Arrangement, shall remain in force and effect as if they were fully set forth herein, subject, however, to the modifications made under this Fourth Supplementary Agreement.

Article II

Article II of the Memorandum is hereby amended by substituting therefor the following

Article II PARTICIPATION

Participation in the Arrangement shall be confined to the central banks, monetary authorities or their equivalent bodies of ASEAN member countries.

A central bank, monetary authority or its equivalent body of an ASEAN member country who is not a signatory to this Fourth Supplementary Agreement, but is desirous of participating in the Arrangement may be permitted to so participate provided:

- (a) all signatories agree; and
- (b) the said central bank, monetary authority or its equivalent body has confirmed its acceptance of this Fourth Supplementary Agreement and has agreed to accept the role of agent bank, on rotation basis.

All communications and confirmation for the purposes of this Article shall be coordinated

by the Agent Bank.

Article III

Article V of the Memorandum as amended by the First Supplementary Agreement is hereby further amended by substituting therefor the following.

Article V AMOUNT OF SWAP

The maximum total outstanding amount of United States dollars provided by each participant under the Arrangement shall be US\$ 40 million.

In principle, the amount of swap requested by a participant shall be provided in equal shares by the other participants. However, if because of exceptional financial circumstances a participant is not in a position to provide its full share or has to refrain from swapping, the shortfall shall be met as far as possible by the other participants, subject to the provisions of the first paragraph of this Article.

The maximum outstanding amount of United States dollars received by any participant under the Arrangement shall not, at any point in time exceed US\$ 80 million (on the basis of a gearing ratio of one-is-to-two (1:2)).

Article IV

The Arrangement shall be renewed and remain in force for a period of five years from the date this Fourth Supplementary Agreement comes into force.

However, if a central bank, monetary authority or its equivalent body of an ASEAN member country has confirmed its acceptance of this Fourth Supplementary Agreement, the Arrangement shall remain in force for an additional period of one year for each new member.

Article V

This Fourth Supplementary Agreement shall come into force on August 5, 1987.

DONE in Kathmandu, Nepal, this twenty-first day of January, 1987.

Bank Indonesia By :

(signed)
ARIFIN M. SIREGAR
Governor

Bank Negara Malaysia By :

(signed)
JAFFAR HUSSEIN
Governor

Central Bank of the Philippines By :

(signed)
JOSE B. FERNANDEZ, Jr.,
Governor

The Monetary Authority of Singapore By :

(signed)
J.Y. PILLAY
Managing Director

Bank of Thailand By :

(signed)

KAMCHORN SATHIRAKUL

Governor