

**AMENDMENTS TO THE MEMORANDUM OF UNDERSTANDING ON THE ASEAN SWAP
ARRANGEMENT
COLOMBO, SRILANKA, 16 JANUARY 1981**

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 amend the Arrangement;

AND WHEREAS the ASEAN Central Banks and Monetary Authorities in accordance with Article X of the Memorandum as incorporated into the First Supplementary Agreement providing for the renewal of 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, inter alia, renew the Arrangement for a further period of three years from September 9, 1979 and to amend the Arrangement;

AND WHEREAS the ASEAN Central Banks and Monetary Authorities are desirous of amending the Arrangement in the interest of closer monetary cooperation;

THE ASEAN CENTRAL BANKS AND MONETARY AUTHORITIES hereby agree as follows:

I

1. Article VII of the Memorandum is hereby amended by substituting therefor the following :

Article VII

AGENT BANK

2. There shall be an Agent Bank, to be designated by the participants from among themselves on rotation basis which shall act as a coordinating body for the implementation of the Arrangement. The Agent Bank so designated shall bear the administrative expenses it incurs in implementing the Arrangement. A participant designated to act as the Agent Bank shall do so for a period of one year commencing on the fifth day of August each year and terminating on the fourth day of August the following year in the event that a participant is unable to act as the Agent Bank it shall be the responsibility of that participant to arrange for another participant to act as the Agent Bank in its place.

II

3. Article VIII of the Memorandum is hereby amended by substituting therefore the following

Article VIII OPERATIONAL PROCEDURES

4. A participant in need of swap financing shall make a request by telex to that effect to the Agent Bank indicating the amount of US dollars it requires the period and the value date which shall be at least seven working days after the date of such a request.
5. The Agent Bank shall immediately inform the other participants of the request also by telex, mentioning the amount of US dollars expected to be provided by each participant and the value date.
6. Within two working days after receipt of the Agent Bank's telex, each participant shall confirm the amount it could make available for the swap. If a participant is unable to participate either partially or fully, the Agent Bank shall invite the other participants to increase their shares to meet the remaining amount subject to the provisions of the first paragraph of article V.
7. The Agent Bank shall inform the requesting participant by telex of the amount of US dollars to be provided by each giving participant, indicating the interest rate.
8. Similar procedures shall be followed for renewal of the swap. A request for renewal should be made at least seven working days before the date of reversal of the swap.
9. The detailed operational procedures and time sequence for a swap transaction are shown in Annex 1.
10. In the case where the borrower is the participant who is also acting as the Agent Bank, the operational procedures and possible time sequence are as shown in Annex 2".
11. The Annexes mentioned in the amended Article VIII are set out in the Appendix hereto.

III

12. The Memorandum is hereby amended by inserting immediately after Article VIII the following

Article VIII A REVERSAL OF SWAP BEFORE MATURITY DATE

13. A borrower may reverse the swap before maturity date. In such a case, the forward rate as derived in Article VI shall be re-computed based on the actual number of days of the shortened period of the swap. There will be no change in the interest rate of the swap. The value date of the reversal of the swap shall be at least seven working days after the date of such a request.
14. The operational procedures and possible time sequence for the reversal of the swap are shown in Annex 3.
15. In the case where the borrower as the participant who is also acting as the Agent Bank, wishes to reverse the swap before the maturity date, the operational procedures and time sequence are as shown in Annex 4."
16. The Annexes mentioned in Article VIII A are set out in the Appendix thereto.

IV

17. The above amendments shall be deemed to have come into force on January 16, 1981.

Done in Colombo, Sri Lanka this sixteenth day of January, 1981.

Bank Indonesia By :

(signed)

RACHMAT SALEH

Governor

Bank Negara Malaysia By :

(signed)
ABDUL AZIZ BIN HAJI TAHA
Governor

Central Bank of the Philippines By :

(signed)
ESCOLASTICA B. BINCE
Deputy Director

The Monetary Authority of Singapore By :

(signed)
HERMAN R. HOCHSTADT
Deputy Managing Director

Bank of Thailand By :

(signed)
NUKUL PRACHU ABMOH
Governor