

1978 SUPPLEMENTARY AGREEMENT TO THE MEMORANDUM OF UNDERSTANDING ON THE ASEAN SWAP ARRANGEMENT

Signed in Washington D.C., United States of America on 26 September 1978

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 (hereinafter referred to as "the Memorandum") signed on the said date.

AND WHEREAS, Article X of the Memorandum provides for the renewal of the Arrangement upon agreement by the participants;

AND WHEREAS, the ASEAN Central Banks and Monetary Authorities are desirous of extending the Arrangement and enlarging the total amount available for swap transactions under the Arrangement in the interest of closer ASEAN monetary cooperation;

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

ARTICLE I

All provisions in the Memorandum 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 Supplementary Agreement.

ARTICLE II

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

ARTICLE V AMOUNT OF SWAP

The maximum total amount of United States dollars available for swap transactions under the Arrangement shall be US\$200 million. The maximum total outstanding amount 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 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 of one- is-to-two (1:2))

ARTICLE III

Article X of the Memorandum is hereby amended by substituting therefor the following.

ARTICLE X DURATION OF THE ARRANGEMENT

The Arrangement shall remain in force and effect for a period of one year from the date this Supplementary Agreement comes into force, subject to renewal upon agreement by the participants. The Agent Bank shall, at least two months before the expiry date hereof, initiate consultations for renewal of the Arrangement.

In the event of termination of the Arrangement the provisions thereof shall be considered still in force, but only in respect of the settlement of outstanding balances existing at the time of such termination.

ARTICLE IV

This Supplementary Agreement shall be deemed to have come into force on August 5, 1978.

Done on this 26th day of September, 1978.

Bank Indonesia By: **RACHMAT SALEH**, Governor

Bank Negara Malaysia By: **ISMAIL BIN MOHAMED ALI**, Governor

Central Bank of the Philippines By: **GREGORIO S. LICAROS**, Governor

The Monetary Authority of Singapore By: **MICHAEL WONG PAKSHONG**, Managing Director

Bank of Thailand By: **DR. SNOH UNAKUL**, Governor