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Regulation

Chapter 400 Securities Accounts, Deposit, Withdrawal, Transfer and Cancellation of a Deposit of Securities

401 Securities Accounts

401.01 Types of Securities Accounts

The securities accounts are classified into 2 types, in accordance with the deposit purpose which are as follows:

- (1) Depository Account; and
- (2) Clearing Account.

401.02 Depository Account

The Depository Account can be classified by the nature of the securities deposited therein as follows:

- (1) Custody Account;
- (2) Collateral Account;
- (3) Securities Borrowing and Lending Account;
- (4) Repo Account;
- (5) Securities Underlying Trading for Exercise of Right under the Derivative Warrant Account; and
- (6) Other securities accounts as designated by TSD.

In depositing the securities of the customers into the Depository Account, the depositor shall open the Depository Account for the respective customer separately from the depositor's account.

401.03 Clearing Account

The securities in the Clearing Account shall be deemed as securities for transfer under the securities settlement and clearing report which is prepared by the Clearing House. TSD shall open the Clearing Account for the depositor's customers separately from the depositor's account.

402 General Provisions for Depositing, Withdrawing and Transferring Securities

402.01 Depositable Securities

Securities which may be deposited with TSD are, inter alia, securities under the securities and exchange law, and other securities as prescribed by TSD

In providing the securities depository service, TSD shall notify the depositors of the depositable securities list.

402.02 Procedures and the time required for Depositing, Withdrawing and Transferring Securities

(1) The depositor may deposit, withdraw and transfer securities by submitting the application to TSD, or via the system connected with TSD, in accordance with the regulations prescribed by TSD.

(2) The depositor may deposit, withdraw and transfer securities on business days, and within the time prescribed by TSD. TSD may prescribe different time for the deposit, withdrawal, and transfer of securities with respect to respective procedures under Regulation 402.02 (1), or the respective type of securities.

(3) The depositor may not withdraw or transfer the securities in the following cases:

(3.1) the securities, the transfer of which has not been acknowledged by the transferee, in the case of the transfer of securities through the system connected with TSD;

(3.2) the securities, the taking of transfer of which has not been registered by the registrar of the securities issuer, in the case of transfer of securities from a Thai owner to a foreign owner.

403 Deposit of Securities

403.01 General Provisions for the Deposit of Securities

(1) TSD may take the deposit of securities which are owned by the depositor, or the depositor's customer.

(2) The securities to be deposited shall be valid, complete and free from any eviction, or the signature endorsed on the securities certificate shall be valid and not a forged signature.

(3) The depositor shall deposit the securities in the entire amount set out in the securities certificate.

(4) The securities to be deposited with TSD shall be securities of the securities issuing company, which has a securities registration system that corresponds to, and is able to connect, with the securities depository system of TSD.

(5) TSD shall classify the deposit of the securities into the securities deposit of the Thai owners, and the securities deposit of the foreign owners.

In the case of the deposit of securities of foreign owners, TSD shall record such deposit by designating a mark on the name of the securities, in accordance with the procedures prescribed by TSD.

The provision in the second paragraph shall not apply to the deposit of securities issued by a registered company, being a juristic person incorporated under foreign law.

(6) The deposit of securities shall become effective when it is recorded in the account of the depositor by TSD.

Where after TSD records the securities deposit transaction in the securities account of the depositor, if it appears that the deposited securities are invalid, defective or subject to any eviction, or the securities certificate is counterfeit, or the signature endorsed thereon is invalid or forged, TSD shall cancel the deposit of such transaction.

Where any damage arises from the deposit of invalid, defective or evicted securities, or invalid or counterfeit signature endorsed on the certificate of such securities, the depositor, who deposits such securities shall be responsible for the damaged incurred.

(7) Upon acceptance of the deposit of securities, TSD shall take the transfer of the deposited securities in name of TSD, in the capacity of a holder acting on behalf of the depositor, or the depositor's customer who is the owner of said securities, using the name of TSD in Thai. However, in the case of securities belonging to foreign owners, TSD shall take the transfer thereof in the name of TSD in English.

Where TSD takes the deposit of securities which are issued by a registered company, being a juristic person incorporated under foreign law, TSD may take the transfer of such securities in the name of TSD in the capacity of the holder acting on behalf of the depositor, or the depositor's customer who owns the securities, using the name of TSD in Thai.

(8) Where TSD cancels the deposit of securities, thereby causing a shortfall of securities in the securities account, the depositor shall deposit or transfer the securities in the amount of the shortfall to such securities account within the business day following the day TSD cancels the deposit of such securities. Where the depositor fails to do so, TSD can fine such depositor at the rate prescribed by TSD.

403.02 Validity of the Deposit of Securities

The deposit of securities shall become effective within the business day of the deposit only when the depositor conducts the deposit transaction within the time prescribed by TSD.

Where the depositor wishes that the deposit of the securities to the Depository Account be effective within the time required for the settlement and clearing of the securities, as prescribed by the Clearing House, on the business day that the deposit is made, the depositor shall deposit the securities within the time prescribed by TSD.

TSD may prescribe the time under the preceding paragraphs differently based on the respective type of securities.

403.03 Deposit of Securities in General

In the general deposit of securities, the depositor shall comply with the regulations and procedures as follows:

(1) The depositor shall present the following evidence to TSD:

(1.1) an application for the deposit of securities in the form prescribed by TSD;

(1.2) a securities certificate which is endorsed by the securities owner or the last transferee;

(1.3) evidence of the transfer of securities, as required by the registrar of the securities issuer.

Where the law requires that the transfer of any securities certificate shall be affixed with duty stamp, the depositor shall completely affix the duty stamp prior to depositing such certificate with TSD in accordance with the law.

(2) Where the evidence under (1) above is complete, TSD shall record the securities deposit transaction in the securities account, and the depositor may verify the securities depository receipt via electronic media in the system established by TSD.

403.04 Deposit of Transferable Subscription Rights

To deposit transferable subscription rights, the depositor shall comply with the regulations and procedures as follows:

(1) The depositor shall be a company issuing the transferable subscription rights.

(2) The depositor shall open a securities account for depositing the transferable subscription right, by using the prescribed form with TSD.

(3) The depositor shall present the following evidence to TSD:

(3.1) application for deposit of securities in the form prescribed by TSD;

(3.2) securities certificate of the securities holder.

(4) Where the evidence under (3) above is complete, TSD shall record the deposit of such transaction in the securities account and the depositor may verify the securities depository receipt via electronic media in the system established by TSD.

Upon the maturity date for last exercise of rights under the transferable subscription rights, TSD shall cancel the deposit of securities and be entitled to close the securities account of the depositor.

403.5 Deposit of Underlying Shares to Support the Trading for the Exercise of Rights under Derivative Warrants

(1) To deposit the underlying to support the trading for the exercise of rights under the derivative warrants, the depositor shall comply with the regulations and procedures as follows:

(1.1) the depositor shall be the derivative warrant issuer, or a person assigned by the derivative warrant issuer to be in charge of overseeing and keeping such underlying shares.

(1.2) The depositor shall open a securities account for supporting the trading for the exercise of rights under the derivative warrant, by using the prescribed form with TSD.

(1.3) The depositor shall present to TSD the evidence as follows:

(a) application for a deposit of securities in the form prescribed by TSD;

(b) securities certificate of the securities holder, or other evidence of the deposit of the securities with TSD.

(1.4) Where the evidence in (1.3) above is complete, TSD shall record the deposit of securities in the securities account, and the depositor may verify the securities depository receipt via electronic media in the system established by TSD.

(2) TSD shall suspend the withdrawal or transfer of the entire underlying shares deposited in the securities account, to support the trading for the exercise of rights under the derivative warrants, except in the following cases:

(2.1) in the case of trading for the exercise of rights under the derivative warrants through the trading system of SET, TSD shall transfer the underlying shares under such exercise to the Clearing Account, in accordance with the securities settlement and clearing report prepared by the Clearing House.

(2.2) In the case of the deposit of the entire amount of underlying shares with TSD as collateral for the delivery of underlying shares traded for the exercise of rights under the derivative warrants, the depositor may request to transfer the underlying shares in an amount exceeding the amount which the company issuing the derivative warrants is obligated to deliver to the holder of the derivative warrants, or is traded, or will be traded, for the exercise of rights throughout the term of the derivative warrants, plus the amount traded for the exercise of rights, in accordance with the securities settlement and clearing report, for which the underlying shares have not been delivered in the system of the Clearing House prior to the request for transfer.

(2.3) In the case of the deposit of a partial amount of the underlying shares with TSD as collateral for the delivery of underlying shares for the exercise of rights under the derivative warrants, the depositor may request to transfer the underlying shares in an amount exceeding the amount which is traded for the exercise of rights in the trading system, as of the date of the request for transfer, plus the amount traded for the exercise of rights, in accordance with the securities settlement and clearing report, for which the underlying shares have not been delivered in the system of the Clearing House prior to the request for transfer.

The transferor and the transferee of the underlying shares under (2.2) and (2.3) shall be the same depositor.

(3) Upon the maturity of trading for the last exercise of rights under the derivative warrants, if there are underlying shares to support the trading for the exercise of rights under the derivative warrants remaining in the depositor's securities account for supporting the trading for the exercise of rights under the derivative warrants, the depositor agrees that TSD may, on behalf of the depositor, transfer such underlying shares to other securities accounts of the depositor who has requested the transfer.

403.06 Deposit of Securities to Persons Prohibited from Selling within the Period Designated by SET

In order to deposit securities which belong to persons who are prohibited from selling securities within the period designated by SET, the depositor shall comply with the regulations and procedures as follows:

(1) The depositor shall be a company whose application to list its securities, which was submitted to SET, is pending, and SET prohibits the executives, holders of securities or persons related to the holders of securities of such company from selling the securities within the period specified.

(2) The depositor shall open a securities account for the purpose of depositing the securities, subject to the selling suspension order, by using the prescribed form with TSD.

(3) The depositor shall present evidence to TSD as follows:

(3.1) application for the deposit of securities in the form prescribed by TSD;

(3.2) a securities certificate which names the person, who is prohibited by SET from selling securities, as the securities holder and stating they have been endorsed for transfer.

(4) Where the evidence in (3) above is complete, TSD shall record the deposit of securities in the securities account and the depositor may verify the securities depository receipt via electronic media in the system established by TSD.

TSD shall suspend the withdrawal or transfer of the securities during the selling suspension period designated by SET in respect of such securities.

404 Withdrawal of Securities

404.01 Withdrawal of Securities in General

To withdraw the securities, the depositor shall comply with the regulations and procedures as follows:

(1) The depositor shall submit evidence to TSD as follows:

(1.1) application for withdrawal of securities in the form as prescribed;

(1.2) application for the issuance of a securities certificate in the form as prescribed;

(1.3) evidence supplementing the withdrawal of securities, as required by the registrar of the securities issuer.

(2) The application for the issuance of a securities certificate under (1.2) shall contain the following particulars:

(2.1) name, nationality, occupation, and address of the securities owner;

(2.2) name of the securities for which the issuance of the securities certificate is related to;

(2.3) number of securities for which the securities certificate is related to;

(2.4) signature of the securities owner.

(3) Where the applications and evidence under (1) and (2) are correct and complete, and the depositor has sufficient securities for the withdrawal, TSD shall clear the securities account of the depositor, within the day on which the depositor submits such documents and evidence, in the amount requested. The depositor may verify the receipt via electronic media in the system procured by TSD.

In collecting the certificate of the securities requesting for the withdrawal, the depository shall submit the receipt to TSD within the period designated by TSD. Where the depositor fails to collect the securities certificate within such period, TSD may charge the fee for keeping the same at the rate prescribed by TSD.

(4) When TSD submits the application for issuance of a securities certificate to the registrar, the depositor may not request for a cancellation of the securities withdrawal transaction which was previously requested. However, where the application, or the evidence submitted by the depositor, is incomplete or incorrect, TSD may cancel such securities withdrawal transaction.

The depositor shall request for a withdrawal of the securities certificate in the name of the securities owner who is a Thai national, save for the withdrawal of securities recorded with the securities name and the symbol designated by TSD, in which case the depositor shall request for the withdrawal of the securities certificate in the name of the securities owner who is not a Thai national.

404.02 Withdrawal of the Securities Certificate of Persons Prohibited from Selling within the Period Designated by SET

To withdraw the securities certificate of the persons who are prohibited from selling the securities within the period designated by SET, the depositor shall comply with the regulations and procedures as follows:

(1) The depositor may submit the application for the withdrawal of the securities certificate of a person who is prohibited from selling securities within the period designated by SET, only when such period expires, or the person prohibited from selling the securities, pledges or uses such securities certificate as loan collateral.

(2) The depositor shall withdraw the securities in accordance with Regulation 404.01

405 Transfer of Securities

405.01 Transfer, Taking of Transfer and Cancellation of the Transfer of Securities

The depositor shall transfer, take the transfer, and cancel the transfer of securities in accordance with the regulations and procedures as follows:

(1) In the case of submission of the application in the prescribed form to TSD,

TSD shall transfer or take the transfer of securities within the business day following the date of the receipt of the application and such transfer, or the taking of such transfer of the securities shall become effective on the same day.

(2) In the case of recording through the system connected with TSD, the following regulations and procedures shall be complied with:

(2.1) In the case of the transfer of securities, the transferee shall acknowledge the transfer, otherwise such securities transfer shall be deemed invalid.

(2.2) In the case of the transfer of debt instruments without settlement (Deliver Free/Receive Free (DF/RF)), or the transfer of debt instruments with settlement (Deliver Against Payment/Receive Against Payment (DVP/RVP)), TSD shall transfer, or take the transfer, of the debt instruments based on the information submitted to the Clearing House by both member parties, in accordance with the regulations and procedures prescribed by TSD.

In the case of a disruption in the system connected with TSD, and which causes the depositor's failure to transfer, take the transfer, or cancel the transfer of securities under (2.1) through such system, the depositor may authorize TSD to conduct such transaction on his behalf.

In the case of the delegation under the second paragraph, the depositor shall submit the Power of Attorney in writing or through other communication systems as prescribed by TSD from time to time, within the period and in accordance with the regulations prescribed by TSD. The depositor shall also prepare and submit such Power of Attorney to the TSD within the business day, following the business day on which he notifies TSD to conduct such transaction, otherwise TSD may cancel such securities transfer transaction.

TSD may transfer, take the transfer, or cancel the transfer of securities via the system connected with TSD, as authorized on the date of the receipt of evidence which is in writing, or which has been submitted through the communication system as provided in the third paragraph.

405.02 Validity of a Transfer of Securities

(1) The transfer of securities shall be valid when the Depository records such transaction in the securities account of the depositor, unless the securities transfer from a Thai owner to a foreign owner, which shall become valid when the registrar of the securities issuer notifies TSD of the registration of such securities transfer.

In the case of a securities transfer with settlement, TSD shall record such transaction in the securities account of the depositor when it receives confirmation of the settlement from the Clearing House or the Bank of Thailand, as the case maybe.

Where the transfer of securities becomes valid, the depositor may not withdraw such transaction.

(2) In the case of the transfer of securities from a Thai owner to a foreign owner, the depositor shall keep documents or evidence relating to the transfer and make these available for TSD to inspect at all times.

In the transfer of securities under the preceding paragraph, the transferor and the transferee shall be the same depositor, and such transfer shall be valid only when the registrar notifies TSD of the registration of the transfer of securities.

405.03 Clearing for Transfer of Securities

In clearing for transfer of securities, TSD shall clear the Depository Account or the Clearing account, as the case may be, for the transfer of securities, in accordance with the securities settlement and clearing report prepared by the Clearing House, within the delivery period of the securities designated by the Clearing House.

The clearing for transfer of securities shall be made in accordance with the regulations and procedures as follows:

(1) the securities to be delivered to a depositor who is entitled to take such delivery, shall be securities that can be delivered in accordance with the securities settlement and clearing report prepared by the Clearing House; and

(2) the depositor shall maintain the securities in the Clearing Account or the Depository Account, as the case may be, in accordance with the securities settlement and clearing report prepared by the Clearing House.

406 Cancellation of a Securities Deposit

406.01 Cancellation of a Deposit

The cancellation of a securities deposit may be divided into 2 cases as follows:

(1) the cancellation of a securities deposit by the order of TSD;

(2) the cancellation of a securities deposit upon the conversion of securities, or the exercise of rights under the warrants through the systems connected with TSD.

406.02 Causes for the Issuance of a Cancellation Order by TSD

TSD may issue an order for the cancellation of a securities deposit in any of the following cases:

(1) the securities of a securities issuing company, which has registration systems that do not correspond to, or are not connected with, the depository system of TSD;

(Translation)

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(2) the securities under the last exercise of right under the share or debenture subscription warrants, derivative warrants, or transferable subscription rights;

(3) the securities under the maturity of the last exercise of rights of conversion, redemption or resale;

(4) the securities which are being delisted by SET or the securities dealing center, or which are permitted from being traded in SET or the securities dealing center, respectively;

(5) the securities of the securities issuing company which is under liquidation;

(6) the securities of the securities issuing company which may not continue its business by reason of a suspension order, receivership, or bankruptcy, or other similar reasons;

(7) other securities as TSD deems appropriate.

The cancellation of the deposit of securities shall be effective from the date specified by TSD.

406.03 Actions Taken upon the Issuance of a Cancellation Order by TSD

Where TSD cancels the deposit of any or all securities, the depositor shall submit the list of securities owners to TSD within the period designated by TSD, by complying with the regulations and procedures for the preparation of the list of securities owners in accordance with the principles prescribed by TSD, so that TSD may collect and submit the same to the registrar of the issuer of such securities for use as supplementary evidence for the request for issuance of a securities certificate. The depositor may verify the securities receipt via electronic media in the system established by TSD. Where the securities issuer fails to issue the securities certificate, the depositor may contact the securities issuer for further proceeding with respect to such securities.

Where the information in the list of securities owners submitted by the depositor, in accordance with the preceding paragraph, is incomplete or inaccurate according to the requirements prescribed by SET or TSD, which causes damage to TSD or any securities owner, the depositor shall be responsible for such damage.

To collect the securities certificate, the depositor shall submit the receipt to TSD within the period specified by TSD. Where the depositor fails to collect the securities certificate within such period, TSD may charge a fee for keeping the securities certificate, at a rate prescribed by TSD.
