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Notification of the Stock Exchange of Thailand

re: Persons Involved in the Trading System, B.E. 2555 (2012)

By virtue of clauses 3, 44 and 45 of the Regulation of the Stock Exchange of Thailand re: Trading, Settlement and Delivery of Securities in the Stock Exchange B.E. 2555 (2012), dated 16 July 2012, the Stock Exchange of Thailand hereby issues the following notification:

Clause 1. This notification shall come into force from 3 September 2012 onwards. **Effective date**

Clause 2. In this notification,

Definitions

“Office” means the Office of the Securities and Exchange Commission;

“Sub-broker” means any securities company that is not a member under the regulation regarding the rules, conditions and procedures for executing a brokerage or agency agreement to trade listed securities on the Exchange for sub-brokers;

“Selling Agent” means a juristic person permitted by the Office to be appointed by a sub-broker as an agent in transactions to purchase or sell investment units of gold ETFs; and

“Performing Investment Advisory Duties” means performing investment advisory duties, including contacting , persuading, providing advice and planning investments for investors for the purposes of trading or investing in securities in accordance with the notification of the Capital Market Supervisory Board concerning approval of business operators’ personnel to perform investment analyses and investment advisory duties.

Chapter 1

Market Makers

Part 1

Qualifications

*Clause 3. A market maker shall possess the following qualifications:

Qualifications

(1) Be a member or a non-member juristic person certified as a market maker by a member whereby such juristic person shall undertake clearing and settlement through the member;

(2) Possesses an experience as a market maker or possesses personnel with the knowledge and expertise whom can be trusted to perform duty of a market maker;

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(3) Possesses the system or procedure that indicates the readiness to act as a market maker including sufficient policy and measure for the risk management;

(4) Is not currently prohibited from undertaking registration as a market maker under Clause 12 (2); and

(5) Possesses other qualifications as prescribed by the Exchange.

(*Amended May 31, 2018, Force on July 1, 2018)

Part 2

Application for Permission, Registration and Cancellation or Revocation of Registration of Market Makers

Clause 4. A member wishing to become a market maker of any securities must file an application to register as a market maker of such securities, using the form prescribed by the Exchange, at least three days prior to the date on which it commences its duties as a market maker. **Registration as a Market Maker**

If the person wishing to become a market maker is a non-member juristic person, the member certifying such juristic person shall file the application in accordance with the first paragraph.

Clause 5 A person wishing to be a market maker shall start performing its duties once it receives permission from the Stock Exchange, which permission shall be publicly announced by the Stock Exchange. **Announcement of Market Maker Status**

The market maker shall post an announcement indicating the name of the securities for which it is the market maker at a public place. If the market maker prepares securities analyses for its customers, it must also specify the name of the securities for which it is the market maker in such analyses.

Clause 6. If a member wishes to cancel its registration as a market maker, it must file an application to the Exchange at least 30 days before it ceases to perform its duties as a market maker. **Application for Cancellation of Market Maker Status**

Where the person wishing to cancel its registration as a market maker is a non-member juristic person, the member certifying such juristic person shall file the application for cancellation in accordance with the first paragraph.

*Clause 7. In addition to the cancellation of registration as a market maker under clause 6 and clause 12 (4), the Exchange may cancel the registration of any market maker effective from the date on which any of the following events occurs: **Cancellation of Market Maker Status**

(1) the membership of the member who is a market maker or the member who certified the market maker is terminated;

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(2) the member who certified the market maker notifies a change in relation to or cancellation of such market maker to the Stock Exchange;

(3) the securities stabilized by the market maker are delisted; or

(4) the market maker fails to perform its duties as market maker for any particular securities for a period of six months or more or any period to be extended as deemed appropriate by the Exchange.

*(*Amended May 31, 2018, Force on July 1, 2018)*

*Clause 8. The Exchange shall notify the member of the cancellation of the market maker's registration under clauses 6, 7 or 12(4) and announce the same to the public.

**Notification of
Registration
Cancellation**

*(*Amended May 31, 2018, Force on July 1, 2018)*

Part 3

Duties of Market Makers

Clause 9. Market makers of securities shall perform duties under the conditions specified in the information submitted to the Exchange and shall have a duty to make continuous quotes in order to ensure prices are continuously available on the trading system and to ensure liquidity.

**Duties of Market
Makers**

Clause 10. Where there is an over-allocation of shares, a market maker must not trade in the securities stabilized by it for the company's account in the following periods:

**Prohibition on
Performance of
Duties as a
Market Maker**

(1) in the case of an initial public offering of shares, the non-trading period shall start from the date of commencement of trading of such shares on the Exchange and shall continue until the date on which the procurer of the over-allocated shares can fully procure the over-allocated shares which it has a duty to deliver or return; and

(2) in the case of a public offering of securities, the non-trading period shall start five days prior to the date the offer price of such securities is announced and shall continue until the closing date of the offering in general cases or until the date on which the procurer of the over-allocated shares can fully procure the over-allocated shares which it has a duty to deliver or return.

Clause 11. The market maker shall be exempted from performing its duties under this Chapter in the event that the Exchange orders a temporary suspension or prohibition of trading in the securities stabilized by it or in other circumstances deemed appropriate by the Exchange.

**Events where
Market Makers
are Exempted
from Performing
Duties**

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***Part 4**

Punishment

Clause 12. In the event that a market maker violates or fails to perform its duties under this Chapter or makes bids or offers of securities which could affect the trading system or the securities trading conditions, the Exchange may consider taking any one or several of the following actions:

Actions to be Taken when Market Makers Fail to Comply with the Notification

- (1) probation
- (2) prohibit the market maker from being registered as a market maker for any or all of the securities for a period of not more than 6 months.
- (3) temporarily prohibiting the market maker from acting as a market maker.
- (4) canceling the market maker's registration.

(*Amended May 31, 2018, Force on July 1, 2018)

Chapter 2

Authorized Officers

Part 1

Qualifications and Maintenance of Qualifications

*Clause 13. Persons whom a member may apply to appoint as an authorized officer shall have and maintain the following qualifications:

Qualifications and Maintenance of Qualifications

- (1) being *sui juris*;
- (2) never had its the registration as an authorized officer revoked as a penalty by the Exchange within five years prior to the application for the appointment;
- (3) employed as a full-time permanent staff member or employee of the member who applied to appoint him/her as an authorized officer, or employed as a full-time permanent staff member or employee of a Selling Agent which entered into an agency agreement with a Sub-broker and applied for the appointment of the authorized officer;
- (4) in the event that such person has been an authorized officer of another securities company, he/she must show that he/she was duly discharged from his/her duties without having committed an offense or having caused any damage;
- (5) have one of the following educational qualifications or work experiences:
 - (5.1) completed a training course or a test about operations of the Exchange or systems and operations of the Exchange, conducted by the Exchange or by a training institution approved by the Exchange, provided that such course must have been approved by the Exchange;

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(5.2) completed undergraduate education or higher, or an equivalent level from an educational institution accredited by the authorities; or

(5.3) employed as an employee or officer performing work in relation to securities for no less than three consecutive years; and

(6) not a person with Prohibited Characteristics of Personnel in Capital Market Industry as specified by the Notification of Capital Market Supervisory Board.

*(*Amended September 10, 2013, Force on September 16, 2013)*

Part 2

Application for Appointment, Registration, Change and Revocation of Registration of an Authorized Officer

Clause 14. In nominating a person fully qualified under clause 13 for appointment as an authorized officer, a member shall file an application, together with the details prescribed by the Exchange, and pay the appointment application fee at the rate specified by the Exchange.

**Application for
Appointment**

Clause 15. After the Exchange has examined the documents relating to the qualifications of the person nominated for appointment as an authorized person and concluded that the documents are accurate and complete, it shall register such person as an authorized officer of the member.

Registration

Clause 16. In the event that the name or surname of the authorized officer changes, the member shall immediately notify the Exchange in accordance with the procedures specified by the Exchange.

**Notice of Change
of Name or
Surname**

Clause 17. In the event that the Exchange subsequently discovers that the authorized officer lacks any qualifications under clause 13, the Exchange shall revoke the registration of the authorized officer. Except in the event that the authorized officer has been suspended from Performing Investment Advisory Duties by the Office, the Exchange may order that the authorized officer be prohibited from performing duties as an authorized officer for a period equivalent to the period of suspension from Performing Investment Advisory Duties ordered by the Office.

**Revocation of
Registration by
the Exchange**

In revoking the registration of the authorized officer under the first paragraph, the Exchange shall notify the authorized officer and the member who applied for the appointment of the revocation and make a general announcement to all members.

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Clause 18. Where a member, or a Sub-broker, wishes to revoke the registration of its authorized officer, the member shall file or shall cause the Sub-broker to file an application for revocation of the registration of the authorized officer with the Exchange in accordance with the procedures prescribed by the Exchange.

Members Apply for Revocation of Registration

The member shall file or arrange for the filing of an application for revocation of the registration of the authorized officer upon the occurrence of any of the following events:

- (1) the authorized officer is no longer a staff member or employee of the member;
- (2) the authorized officer is no longer a full-time staff member of the Selling Agent; or
- (3) the agency agreement between the Selling Agent, of which the authorized officer is a member of staff, and the Sub-broker has expired.

The member shall file an application for revocation of the registration of the authorized officer with the Exchange in the form prescribed by the Exchange upon the occurrence of the event in item (1) of the second paragraph, and the member shall cause the Sub-broker to file an application with the Exchange for revocation of the registration of the authorized officer of the Selling Agent upon the occurrence of the events in items (2) and (3) of the second paragraph in the form specified by the Exchange within seven days from the date on which the event occurs.

If the member or the Sub-broker fails to file an application for revocation of the registration of the authorized officer under paragraph three, the Exchange may revoke the registration of such authorized officer.

Clause 19. In revoking the registration of the authorized office under clause 18, the Exchange shall notify such member in the form or according to the procedures prescribed by the Exchange.

Notice of Revocation of Registration

Clause 20. The member may request to inspect the registration of its authorized officer and may request a copy of the registration of its authorized officer from the Exchange by submitting an application to the Exchange in accordance with the procedures prescribed by the Exchange.

Inspection of the Registration of an Authorized Officer

Part 3

Duties of Members and Authorized Officers

Clause 21 The member and the authorized officer may not notify or disclose the identification number of the authorized officer to other persons. If there is reason to suspect or it appears that the identification number of the authorized officer is known to other persons, such authorized officer shall immediately notify the Exchange to revoke and change his/her identification number.

No Disclosure of Identification Number to Other Persons May be Made

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Clause 22. The authorized officer shall use his/her identification number, as prescribed by the Exchange, when trading on the trading system.

**Disclosure of
Identification
Numbers**

Clause 23. The authorized officer has the following duties:

**Duties of the
Authorized
Officer**

(1) to comply with the law governing securities and exchange, the regulations of the Exchange, the resolutions of the Board of Governors and the circular letters of the Exchange, and to fulfill the same duties as those that the member is obligated to perform in such respect insofar as it is practicable for the authorized officer to do so;

(2) to cooperate with the Exchange in preventing violations of the law governing securities and exchange, regulations of the Exchange, resolutions of the Board of Governors and circular letters of the Exchange;

(3) not to provide cooperation and assistance to other persons who violate or fail to comply with (1);

(4) not to perform any acts which will, or may, or would foreseeably cause discredit to the Exchange;

(5) not to send securities purchasing or selling orders which have inappropriate characteristics as prescribed by the Exchange, or send securities purchasing or selling orders when he/she knows or should know that such orders may constitute an offense under the law governing securities and exchange or the regulations of the Exchange;

(6) not to use information of a customer or information concerning securities trading obtained during the performance of his/her duties in order to obtain benefits for himself/herself or another person;

(7) not to send securities purchasing or selling orders for himself/herself or another person by using an account of a customer.

*(8) not to analyze investment or give advice on investment to investors without consent for performing such duty from the Office in the case that the Office specifies that the personnel of the member must seek consent for performing such duty.

*(*Added July 16, 2013, Force on August 1, 2013)*

Part 4

Punishment and Disclosure of Punishment

Clause 24. Where any authorized officer commits or participates in a violation of or non-compliance with the regulations of the Exchange, such person may be subject to any one or several of the following penalties:

**Violation of
Regulations**

- (1) probation;
- (2) fine;
- (3) temporary prohibition on the performance of duties;
- (4) revocation of registration; or
- (5) prohibition on the performance of work in a securities company for a specific period of time.

If it is considered appropriate to penalize the authorized officer in accordance with (3) or (4), such authorized officer may also be subject to punishment according to (5).

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Clause 25. Offenses and penalties of authorized officers shall be determined in accordance with the Exchange's regulations concerning offenses and penalties. **Determining Offenses and Penalties**

Clause 26. In considering the punishment to be imposed on an authorized officer, the Exchange will take into account the behavior that was involved, the nature of the offense, and the intention behind such offense, including the impact and damage arising therefrom. **Guidelines for Determining Punishment**

The consideration process for imposing penalties on the authorized officer under the first paragraph shall be in accordance with the prescribed guidelines attached hereto.

Clause 27. The Exchange shall inform other members of the penalties imposed on the authorized officer in writing, by specifying the name of the authorized officer being punished, the nature of the offense and the penalties, and shall make a public announcement about the nature of the offense and the penalties. **Method of Disclosure of Punishment**

Transitional Provisions

Clause 28. Persons who obtained approval from the Exchange to be market makers and persons who were registered as authorized officers prior to the effective date of this notification shall be a market maker or an authorized officer in accordance with this notification. **Transitional Provisions**

Notified on this 16th day of July 2012.

(Signed) Charamporn Jotikasthira

(Mr. Charamporn Jotikasthira)

President

The Stock Exchange of Thailand

Reason for Promulgation: As the Stock Exchange has implemented a new securities trading system in order to increase securities trading efficiency, support the development of products and services, including transactions in the capital market, and increase the competitiveness of the Stock Exchange, the Stock Exchange deems it appropriate to adjust the regulations concerning the trading, clearing and settlement of securities listed on the Stock Exchange in order to accommodate the new securities trading system. Accordingly, regulations have been made to be easy-to-understand and appropriate. It is therefore expedient to issue this Notification.

Guidelines for Determining Punishment

*Nature of the Offense	Punishment
1. Transmission of a purchasing or selling order which would normally be unlikely to result in trading or is not intended to result in trading at such price	<ul style="list-style-type: none"> - probation - a fine of Baht 5,000 – Baht 50,000 - temporary prohibition on performance of duties or prohibition on performance of work in a securities company for no more than six months
2. Disclosure of the identification number of an authorized officer	<ul style="list-style-type: none"> - probation - a fine of Baht 10,000 – Baht 100,000 - prohibition on any performance of work in a securities company for no more than one year
3. Use of the identification number of the authorized officer of another person	<ul style="list-style-type: none"> - probation - a fine of Baht 10,000 – Baht 100,000 - temporary prohibition on performance of duties or prohibition on performance of work in a securities company for no more than one year
**4. Analyze investment or give advice on investment to investors without consent for performing such duty from the Office in the case that the Office specifies that the personnel of the member must seek consent for performing such duty	<ul style="list-style-type: none"> - probation - a fine of Baht 10,000 – Baht 100,000 - temporary prohibition on performance of duties or prohibition on performance of work in a securities company for no more than one year
5. Assistance in trading over the limit, such as by using the limit of an account of another customer	<ul style="list-style-type: none"> - probation - a fine of Baht 10,000 – Baht 100,000 - temporary prohibition on performance of duties or prohibition on performance of work in a securities company for no more than one year
<p>6. Transmission of securities trading orders which result in a change or non-change in the securities trading price which is inconsistent with the normal market condition (false market). Examples of such transmission include:</p> <ul style="list-style-type: none"> - transmitting a purchasing or selling order at a price that is substantially higher or lower than the projected price and which could not, normally, be matched, regardless of whether such order will be subsequently canceled - transmitting a bid or offer for securities and canceling it thereafter, or canceling the original bid or offer and then re-transmitting it immediately several times thereafter - transmitting a bid or offer for securities at a price and trading volume likely to get matching for the same customer or for customers of the same group 	<ul style="list-style-type: none"> - probation - a fine of Baht 25,000 – Baht 500,000 - temporary prohibition on performance of duties or prohibition on performance of work in a securities company for no more than three years - revocation of registration

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*Nature of the Offense	Punishment
<ul style="list-style-type: none"> - transmitting a purchasing or selling order for securities at a price that is substantially higher or lower than the projected price - transmitting, on numerous occasions, several transactions of purchasing or selling orders for securities in a manner that pushes up or pulls down the price - transmitting several transactions of purchasing or selling orders for securities at the same price level although the purchasing/selling orders could be transmitted together in one transaction at one time 	
<p>7. Transmission of a trading order which he/she knows or should know would result in an offense under the law governing securities and exchange, such as:</p> <ul style="list-style-type: none"> - trading for a customer or cooperating with a customer when he/she knows or should know that the customer intends to change the price or change the trading volume and such change is not actually a result of the price mechanism, by using concealment methods or fraudulent means to manipulate the price of the securities, such as by fixing, supporting, pushing up, or lowering the price of the securities - trading for a customer when he/she knows or should know that the customer is using insider information - disseminating any inaccurate news or information with the intention of circulating false news or any other statement with the intention to persuade the general public to trade in securities or to mislead any person about the price of any securities 	<ul style="list-style-type: none"> - probation - a fine of Baht 25,000 – Baht 500,000 - temporary prohibition on performance of duties or prohibition on performance of work in a securities company for no more than three years - revocation of registration
<p>8. Use of information of a customer or information on securities trading that is obtained through the performance of his/her duties in order to obtain benefits for himself/herself or for another person, such as</p> <ul style="list-style-type: none"> - front running - disclosing a customer's personal information, financial information and trading information to other persons - trading on behalf of a customer (with the intention of obtaining benefits for the customer) 	<ul style="list-style-type: none"> - probation - a fine of Baht 25,000 – Baht 500,000 - temporary prohibition on performance of duties or prohibition on performance of work in a securities company for no more than three years - revocation of registration

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*Nature of the Offense	Punishment
9. Transmission of securities purchasing or selling orders for himself/herself or for another person by using a customer's account, such as by: - being involved with or using a customer's account or forging securities trading documents of a customer with the intention of dishonestly or fraudulently using the property of the customer	- probation - a fine of Baht 25,000 – Baht 500,000 - temporary prohibition on performance of duties or prohibition on performance of work in a securities company for no more than three years - revocation of registration

* Offenders may be subject to any one or more penalties

**Amended July 16, 2013, Force on August 1, 2013