



# กองทุนคุ้มครองผู้ลงทุนในหลักทรัพย์ Securities Investor Protection Fund

## **Regulations**

### **Re: Protection for Securities Investors**

Whereas, the Stock Exchange of Thailand is aware of the importance to create confidence to investors on the Exchange who trade securities through its member companies, it, therefore prescribed the measures to provide protection so as to strengthen their confidence. The Exchange therefore deems it expedient to prescribe these Regulations in order to clarify the rules and conditions regarding the provision of protection to securities investors for further observance.

## **Chapter 1**

### **Sources of the Securities Investor Protection Fund**

1. The Securities Investor Protection Fund (hereinafter referred to as the “Fund” or “SIPF”) is the assets of and shall be owned by the Exchange. The Exchange has separated it from other part of assets so as to use it for the sole purpose of providing protection to investors in accordance with the rules and conditions prescribed herein.
2. The Fund shall start to provide its protection to the investors under these Regulations once there are 10 fund members or more.
3. The assets of the Fund shall consist of:
  - (1) the initial capital contributed by the Exchange in an amount of Baht 300 million;
  - (2) the admission fees and monthly fees collected from the fund members; and
  - (3) the fruits or benefits derived from monies and assets of the Fund.
- \*4. The amount of assets of the Fund under Clause 3(1) and (2) is not less than Baht 500 million.  
*(\*Amended October 1, 2012)*

## **Chapter 2**

### **Scope of the Provision of Protection to Investors**

5. The investors who shall be entitled to the protection from the Fund must be those who buy or sell securities on the Exchange through the fund members only.

The following investors shall not be entitled to the protection from the Fund:

(1) the persons who take part in the cause of damage;

\* (2) the majority shareholders of the fund members who cause damage either directly or indirectly, holding more than 10% of the total voting stocks of such fund members; and

\* (3) the directors, managers or the first four persons holding executive positions next to the manager, whose positions are equivalent to every fourth person holding an executive position of the fund members who cause damage.

The investors may examine a list of fund members on the Exchange's website [www.set.or.th](http://www.set.or.th) or make inquiry at the S-E-T Call Center, Tel. 02-229-2222 or the securities companies where they maintain securities trading accounts.

*(\*Amended November 15, 2013)*

6. An investor shall have the right to request protection from the Fund when a fund member fails to return the investor's assets or to compensate for the price of such assets to the investor according to the investor's right to receive the same from the fund member as a result of any of the following circumstances:

(1) the fund member is adjudicated a receivership under the law on bankruptcy; or

(2) the fund member and the investor have had a civil dispute concerning the trading in securities on the Exchange, and the arbitrators have considered and decided that the fund member shall return the assets or compensate for the price of assets to the investor but the fund member fails to comply with such arbitral award.

The arbitrators under this Clause and these Regulations shall mean the arbitrators appointed by the Office of the Securities and Exchange Commission or the arbitrators appointed by the Exchange according to Section 201 of the Securities and Exchange Act B.E. 2535.

### **Chapter 3** **Assets to be Paid as Compensation to Investors**

7. The assets which the Fund shall pay as compensation to the investors shall be in the form of listed securities or money only.

The Exchange shall have the discretion to determine whether to make compensation in a form of listed securities or to compensate for the price of assets to the investors as considered appropriate.

The listed securities under this Clause and these Regulations shall mean securities which are listed for trading on the Exchange.

8. In the event of making compensation in the form of listed securities to investors, the Fund shall provide listed securities of the same category, type and amount as those which the investors are entitled to receive from the fund members.

9. In the event of making compensation of the price of listed securities to investors, the Fund shall use the closing price of such securities on the Exchange at the end of business day on which the Court orders the absolute judgement of receivership under the bankruptcy law or the arbitrators issue an award, as the case may be. If there is no such price, the last closing price of such securities on the Exchange shall be applicable.

In case of compensation for the price of assets otherwise than in the form of listed securities, the Fund shall use the price deemed to be reflective of the present market value of such securities.

#### **Chapter 4** **Amount of Protection to Investors**

10. The Exchange shall provide protection to investors according to these Regulations not exceeding the amount of assets which the Fund has on the date of approving the protection to those investors.

\*11. The limit of protection to investors shall be divided into 2 amounts as follows:

(1) an amount not exceeding 20% of the Fund's assets for the protection to investors in the event that the fund members fail to return the assets to investors according to an arbitral award; and

(2) an amount not exceeding 80% of the Fund's assets for the protection to investors in the event that the fund members fail to return the assets to investors as a result of the Court's order of absolute receivership under the bankruptcy law.

The coverage limit in accordance with (1) and (2) above each time will be taken into consideration based on the amount of assets of the existing Fund on the date of approval of investor protection.

*(\*Amended November 15, 2013)*

12. In the event of making compensation for assets to an investor according to Clause 6(1) or (2), the Exchange shall count an amount of assets of the Fund for each compensation under each case separately whereby an amount of assets provided as protection to an investor in each case shall not exceed the limit under Clause 11(1) or (2), as the case may be.

13. The Exchange shall be discharged from its obligation to provide protection to investors in any circumstance under Clause 6(1) or (2) upon the full payment of assets of the Fund in any such circumstance according to an amount as prescribed in Clause 11(1) or (2), as the case may be.

14. \*The investors shall be entitled to compensation for assets or compensation for the price of assets from the Fund not exceeding the actual damage incurred to them or not exceeding Baht 1 million each in each case of protection, whichever is lower.

If the amount of assets of the Fund is not sufficient for compensating the investors according to the first paragraph, the investors shall receive compensation for assets or compensation for the price of assets from the Fund proportionately to the damage incurred to each of them on a pro rata basis.

*(\*Amended November 15, 2013)*

## **Chapter 5 Procedures for the Request for Protection**

15. The Fund shall publicly issue a notification stipulating the rules on the request for protection in the event that the fund members are subject to the Court's receivership order under the bankruptcy law in newspapers and on the Exchange's website [www.set.or.th](http://www.set.or.th) or [www.settrade.com](http://www.settrade.com).

16. An investor wishing to seek protection from the Fund in the circumstance under Clause 6(1) shall submit a request together with documentary evidence as prescribed to the Exchange within the stipulated time.

\*17. An investor wishing to seek protection from the Fund in the circumstance under Clause 6(2) shall submit a request together with at least documents as prescribed below to the Exchange within the stipulated time:

(1) an agreement for appointment of a broker or an agent for securities trading between the fund member and the investors;

(2) evidence of the right to the return of assets or compensation for the price of assets from the fund member;

(3) a copy of an arbitral award which requires the fund member to return the assets or compensate for the price of assets to the investor;

(4) other evidence as prescribed by the Exchange.

*(\*Amended October 1, 2012)*

18. During the consideration of its request, if the investor wishes to amend the information or document submitted under Clause 17, the investor shall submit an amendment thereto by clearly showing the differences and reasons within the time prescribed by the Exchange.

19. During the consideration of its request, the investor who has submitted a request for protection agrees and consents to cooperate with the Exchange by making clarification and providing additional document or evidence to the Exchange upon the request of the Exchange.

20. When the Exchange has received complete documents and evidence, the Exchange shall make consideration and propose its opinion to the Board of Governors of the Exchange for approval of the compensation for assets or price of assets to the investor.

21. Approval of the compensation for assets or price of assets to investors shall be the exclusive authority of the Board of Governors of the Exchange. A resolution of the Board of Governors of the Exchange shall be deemed final.

## **Chapter 6 Compensation for Assets to Investors**

22. In the event that the Board of Governors of the Exchange resolves that the Exchange shall compensate for the assets or price of assets to any investor, such investor shall prepare and submit a letter of assignment of claim in the prescribed form to the Exchange within the stipulated time.

23. An investor shall receive compensation for the assets or price of assets from the Fund after the Exchange has received the correct and complete letter of assignment of claim within the stipulated time.

24. When an investor has received compensation for the assets or price of assets from the Fund, such investor agrees and consents to render any cooperation or assistance to the Exchange to enable the Exchange to recover the assets paid as compensation from the fund member.

25. If any of the following circumstance shall occur after the Exchange has made compensation for the assets or price of assets to an investor, the Exchange shall be entitled to demand the assets paid to such investor be returned:

(1) the investor provides false information or conceals any information that should be revealed to the Exchange, or fails to notify the Exchange of its actual rights and duties;

(2) the investor takes part in any act which prevents the Exchange from succeeding to his claim for a full reimbursement from the fund member, such as the investor commits any act which causes the fund member to deny the return of assets to him;

(3) any other cause as prescribed by the Exchange.

## **Chapter 7 Place of Contact for Additional Information**

26. The investors can obtain additional information on the Exchange's website [www.set.or.th](http://www.set.or.th) or make inquiry at the S-E-T Call Center, Tel. 02-229-2222 or the securities companies where they maintain securities trading accounts.

27. The investors may submit a request for protection from the Fund at the Exchange's Member Services Department.

28. The Exchange shall have the right to make any revision to the information in these Regulations as considered appropriate by making an announcement to the investors whenever the revision is made.

Securities Investor Protection Fund  
The Stock Exchange of Thailand  
October 1, 2004