(UNOFFICIAL TRANSLATION)
Codified up to No. 5
As of 26 December 2024

*Readers should be aware that only the original Thai text has legal force and that this English translation is strictly for reference.*

**Notification the Securities and Exchange Commission**
**No. Kor Shor. 1/2555**
**Re: Exclusion of Credit Rating Agency Business from**
**Securities Business in the Category of Investment Advisory**

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By virtue of Section 4 and Section 14 of the *Securities and Exchange Act B.E. 2535 (1992)*, as amended by the *Securities and Exchange Act (No. 4) B.E. 2551 (2008)*, which contain certain provisions in relation to the restriction of rights and liberties of persons which Section 29 in conjunction with Section 33, Section 34, Section 41, Section 43, Section 44 and Section 64 of the *Constitution of the Kingdom of Thailand* so permit by virtue of law, the Securities and Exchange Commission hereby issues the following regulations:

**Clause 1** This Notification shall come into force from 1 March 2012, except Clause 13, Clause 14, Clause 15, Clause 16, Clause 17 and Clause 18, which shall come into full force from 1 May 2012.

**Clause 2** The following Notifications shall be repealed:

(1) *Notification of the Securities and Exchange Commission No. Kor Dor. 15/2552 Re: Exclusion of Credit Rating Agency Business from Securities Business in the Category of Investment Advisory* dated 3 August 2009;

(2) *Notification of the Securities and Exchange Commission No. Kor Dor. 9/2553 Re: Exclusion of Credit Rating Agency Business from Securities Business in the Category of Investment Advisory (No. 2)* dated 3 June 2010;

(3) *Notification of the Securities and Exchange Commission No. Kor Dor. 6/2554 Re: Exclusion of Credit Rating Agency Business from Securities Business in the Category of Investment Advisory (No. 3)* dated 23 March 2011;

**Clause 3**[2] In this Notification:

"***credit rating***" means an assessment of status and capacity of government, ministry, department, office or any other business in repaying debts according to any financial instrument or making full repayment or fulfilling obligations under preferred shares, and the result of such assessment is indicated in symbol;

"***credit rating agency***" means a business operator that issues ***credit rating*** in the normal course of business;

"***debt instrument***" means bond, debenture, bill and shall include sukuk;

"***executive***" means a manager or the next four executives succeeding the manager and every person holding an equivalent position to the fourth executive, including a person holding the position of departmental manager or equivalent or higher in charge of the work unit related to ***credit rating***;

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[2] Amended by the *Notification the Securities and Exchange Commission No. Kor Shor. 25/2561 Re: Exclusion of Credit Rating Agency Business from Securities Business in the Category of Investment Advisory (No. 3)* dated 4 October 2018 (effective on 16 October 2018).

"***parent company***" means parent company as defined in the *Notification of the Securities and Exchange Commission concerning Determination of Definitions in Notifications relating to Issuance and Offer for Sale of All Types of Debt Securities.*

## Chapter 1
## General Provisions

**Clause 4** The giving of advice to the public in the manner of issuing ***credit rating*** by the following credit rating agencies shall not be deemed as undertaking securities business in the category of investment advisory:

(1) ***credit rating agency*** established under Thai law and approved by the SEC Office as specified in Chapter 2;

(2) ***credit rating agency*** established under foreign law and having the characteristics in accordance with the rules as specified in Clause 5.

**Clause 5** A ***credit rating agency*** established under foreign law in accordance with Clause 4(2) shall have the following characteristics:

(1) undertaking ***credit rating*** business legally in accordance with the Law of the country wherein such ***credit rating agency*** is established and subject to the supervision of a regulator which is a member of the International Organization of Securities Commissions (IOSCO);

(2) not having any form of commercial presence in the Kingdom of Thailand except for holding of securities in a ***credit rating agency*** approved under Clause 4(1);

(3) issuing ***credit rating*** within the scope specified in Clause 6.

**Clause 6** A ***credit rating agency*** established under foreign law shall issue ***credit rating*** within the following scope:

(1) issuing ***credit rating*** for financial instruments having any of the following characteristics:

(a) debt securities issued by a juristic person established under Thai law whose ***parent company*** is a juristic person established under foreign law;

(b) debt securities issued by a juristic person established under Thai law in any of the following cases:

1. debt securities concurrently issued and offered for sale domestically and overseas;

2. debentures denominated in foreign currency issued and offered for sale in the Kingdom of Thailand;

3. debt securities for securitization whereby the eligible originator is an agency or organization of a foreign government or a juristic person under foreign law;

4.[4] debt securities for securitization whereby the assets pledged as collateral to a special purpose vehicle are claims generating cash flows from sources outside the Kingdom of Thailand, or claims arising from assets outside the Kingdom of Thailand;

(c) debt securities issued by a juristic person established under foreign law, agency or organization of a foreign government or an international organization;

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[4] Amended by *the Notification of the Securities and Exchange Commission No. Kor Shor. 32/2567 Re: Exclusion of Credit Rating Agency Business from Securities Business in the Category of Investment Advisory (No. 5)* dated 26 December 2024 (effective on 16 January 2025).

(d) derivatives warrants issued by a foreign bank or a foreign insurance company whose branch has been approved to undertake commercial bank business or insurance business in the Kingdom of Thailand, as the case may be;

(2) issuing ***credit rating*** for a business having relationship with instruments in any of the following manners:

(a) being the guarantor or giver of an aval of debt securities who is a juristic person established under foreign law or agency or organization of foreign government or international organization;

(b) being the guarantor of derivatives warrants;

(3) in any case other than (1) and (2), a ***credit rating agency*** established under foreign law shall issue ***credit rating*** for issuance of instruments or business related to instruments for international comparison, for instance, ***credit rating*** in the form of international scale rating or regional scale rating.

**Clause 6/1**[3] The application for approval, notification, filing, or submission of information or documents under this Notification shall be in accordance with the forms and procedures provided on the website of the SEC Office.

## Chapter 2
## Application for Approval and Approval

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### Division 1
### Filing Application for Approval

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**Clause 7**[3] Any person who intends to operate a ***credit rating agency*** approved by the SEC Office shall file an application for approval with the SEC Office together with evidentiary documentation in accordance with the guidelines and procedures as specified under Clause 6/1.

**Clause 8**[1] After the SEC Office has received the complete and accurate application for approval and the evidentiary documentation as prescribed in the *Licensing Manual for the Public*, the applicant under Clause 7 shall pay the filing fee at the rate specified in the *Notification of the Office of the Securities and Exchange Commission concerning Determination of Fees for Filing Registration Statement, Registration and Other Applications.*

**Clause 9**[1] *Repealed.*

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[3] Amended by *the Notification of the Securities and Exchange Commission No. Kor Shor. 21/2564 Re: Exclusion of Credit Rating Agency Business from Securities Business in the Category of Investment Advisory (No. 4)* dated 9 July 2021 (effective on 1 August 2021).

[1] Amended by *the Notification of the Securities and Exchange Commission No. Kor Shor. 16/2558 Re: Exclusion of Credit Rating Agency Business from Securities Business in the Category of Investment Advisory (No. 2)* dated 6 August 2015 (effective on 1 September 2015).

[1] Repealed by *the Notification of the Securities and Exchange Commission No. Kor Shor. 16/2558 Re: Exclusion of Credit Rating Agency Business from Securities Business in the Category of Investment Advisory (No. 2)* dated 6 August 2015 (effective on 1 September 2015).

**Clause 10**[1] The SEC Office shall consider the application for approval within sixty days from the date of receiving the complete and accurate application for approval and evidentiary documentation as prescribed in the *Licensing Manual for the Public.*

## Part 2
## Criteria for Approval

**Clause 11** Any person eligible to obtain an approval to be a ***credit rating agency*** under this Chapter shall meet the following criteria:

(1) being a juristic person established under Thai law;

(2) having paid-up capital of no less than fifty million Baht;

(3) not being subject to any reasonable ground to suspect that the behaviors of its director or ***executive*** indicate a lack of responsibility, credibility or trustworthiness in any of the following manners:

(a) having a record of being dismissed, removed, discharged or prosecuted as a result of a dishonest act;

(b) having an employment record that indicated dishonesty;

(c) having a record of management or any other action that caused severe violation under the *Law on Securities and Exchange* in a manner that indicated a lack of responsibility or due care in management;

(4) having a sufficient number of personnel with knowledge, capacity or work experience beneficial for undertaking ***credit rating agency*** business in order to support undertaking of ***credit rating agency*** business;

(5) being able to demonstrate that a work system shall be arranged for monitoring and supervising the operation related to ***credit rating*** issuing in compliance with accepted and reliable standards;

(6) having requirements related to stringent and reliable procedure for issuing ***credit rating*** which support independent operation and expression of impartial and fair opinions to entities involved;

(7) having symbols for issuing ***credit rating*** without the following characteristics:

(a) being used as generic terms or lacking specific characteristics;

(b) being symbols or signs contravening the Law or public morals.

In considering the prohibited characteristics of director and ***executive*** under (3) of Paragraph 1, the SEC Office shall also take into account such person's behaviors during a period of not more than ten year prior and the severity of the conduct or impact on the credibility or trustworthiness as director or ***executive*** of the ***credit rating agency***.

**Clause 12** A ***credit rating agency*** approved under this Chapter shall undertake business within the following scope:

(1) issuing ***credit rating***;

(2) providing clarification or rationale for considering the issuing of ***credit rating*** as well as supplementary information for the consideration;

(3) providing news and information obtained in the course of issuing ***credit***

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[1] Amended by *the Notification of the Securities and Exchange Commission No. Kor Shor. 16/2558 Re: Exclusion of Credit Rating Agency Business from Securities Business in the Category of Investment Advisory (No. 2)* dated 6 August 2015 (effective on 1 September 2015).

***rating***, for instance, information related to economics and industrial outlook;

(4) undertaking business that does not cause a conflict of interest or have any characteristic that causes the ***credit rating agency*** to be unable to give independent opinions.

## Division 3

## Duties to Perform after Approval

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**Clause13**[2] A ***credit rating agency*** granted an approved shall comply with the Code of Conduct Fundamentals for Credit Rating Agencies, as prescribed by the International Organization of Securities Commissions (IOSCO) in the following matters:

(1) quality and integrity of the rating process;

(2) independence and conflicts of interest;

(3) accountability towards third parties involved;

(4) corporate governance, risk management and personnel management;

(5) information disclosure and communication with market participants.

The ***credit rating agency*** shall put in place a mechanism that ensures the board of directors and ***executives*** supervise compliance with the Code of Conduct in Paragraph 1.

**Clause 14**[2] *Repealed.*

**Clause 15**[2] *Repealed.*

**Clause 16**[2] *Repealed.*

**Clause 17**[2] *Repealed.*

**Clause 18**[2] *Repealed.*

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[2] Amended by the *Notification the Securities and Exchange Commission No. Kor Shor. 25/2561 Re: Exclusion of Credit Rating Agency Business from Securities Business in the Category of Investment Advisory (No. 3)* dated 4 October 2018 (effective on 16 October 2018).

[2] Repealed by the *Notification the Securities and Exchange Commission No. Kor Shor. 25/2561 Re: Exclusion of Credit Rating Agency Business from Securities Business in the Category of Investment Advisory (No. 3)* dated 4 October 2018 (effective on 16 October 2018).

[2] Repealed by the *Notification the Securities and Exchange Commission No. Kor Shor. 25/2561 Re: Exclusion of Credit Rating Agency Business from Securities Business in the Category of Investment Advisory (No. 3)* dated 4 October 2018 (effective on 16 October 2018).

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**Clause 19** A ***credit rating agency*** granted an approved under this Chapter shall comply with the following requirements:

(1) submitting to the SEC Office the result of ***credit rating*** disseminated to the public within the business day following the dissemination of the result thereof;

(2) preparing and submitting to the SEC Office financial statements for the fiscal year and annual report related to financial condition and operational results of the ***credit rating agency*** within four months from the end of a fiscal year;

(3) notifying the SEC office of any change, modification or additional symbol or definition of symbols used in issuing ***credit rating*** prior to the use of symbol or definition of such symbol that have been changed, modified or added;

(4) notifying the SEC office of any change of director and ***executive*** or qualifications of director and ***executive*** as well as submitting details related to qualifications and employment record of director and ***executive*** appointed or newly elected including certification of qualifications of such director and ***executive*** without delay;

(5) notifying the SEC office of any material change of shareholding structure or requirements related to procedure in issuing ***credit rating*** without delay;

(6) keeping of information used in considering ***credit rating*** in the manner that is ready for the SEC Office to make a request or examine information (audit trail) immediately for the period of at least two years as from the date of dissemination of ***credit rating***;

(7) filing a report or showing documents related to ***credit rating*** in accordance with the period of time or sporadically as specified by the SEC Office and preparing a letter to explain or supplement the report or documents filed as specified by the SEC Office.

**Clause 20** A ***credit rating agency*** shall agree to have an officer designated by the SEC Office to enter its premises or location for collecting or processing information of the ***credit rating agency*** during business hours of such location in order to examine its compliance under this Notification.

## Division 4
## Termination of Approval and Other Sanctions

**Clause 21** The SEC Office may issue a suspension or revocation order against a ***credit rating agency*** as deemed appropriate when any of the following circumstances is apparent:

(1) the ***credit rating agency*** is unable to maintain the characteristics as specified under Clause 11;

(2) the ***credit rating agency*** undertakes business beyond the scope specified under Clause 12;

(3) the ***credit rating agency*** fails to comply with the requirement as specified in Division 3 and such non-compliance may affect the confidence in issuing ***credit rating*** or may cause damage to clients or any person using such ***credit rating*** information.

In case of circumstances under Paragraph 1, the SEC Office may order the ***credit rating agency*** to proceed with rectification in order to comply with the requirements within a specified period of time or order to act or refrain from any action.

**Clause 22** In issuing revocation order against a ***credit rating agency*** granted

an approval under this Chapter, the SEC Office may specify a period of time and conditions for considering such person's subsequent application for approval, providing that the period so specified shall not exceed ten years from the issue date of the revocation order.

## Chapter 3
## Transitional Provisions

**Clause 23** A ***credit rating agency*** established under Thai law and approved by the SEC Office under the *Notification of the Securities and Exchange Commission concerning Exclusion of Giving of Advice to the Public from Securities Business in the Category of Investment Advisory* dated 18 March 1993 or the *Notification of the Securities and Exchange Commission No. Kor Dor. 15/2552 Re: Exclusion of Credit Rating Agency Business from Securities Business in the Category of Investment Advisory* dated 3 August 2009 prior to the effective date of this Notification shall be a ***credit rating agency*** approved by the SEC Office under this Notification and shall be subject to the provisions in this Notification.

**Clause 24** Any reference made in any other Notification to the *Notification of the Securities and Exchange Commission concerning Exclusion of Giving of Advice to the Public from Securities Business in the Category of Investment Advisory* dated 18 March 1993 or the *Notification of Securities and Exchange Commission No. Kor Dor. 15/2552 Re: Exclusion of Credit Rating Agency Business from Securities Business in the Category of Investment Advisory* dated 3 August 2009 shall mean reference to this Notification.

Notified this 20th day of February 2012.

-Signature-

(Ms. Nawaporn Ruangskul)

Chairman
Securities and Exchange Commission