

(UNOFFICIAL TRANSLATION)

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

Notification of the Securities and Exchange Commission

No. Kor Nor. 9/2547

**Re: Registration of Derivatives Business Operator
In the Category of Derivatives Fund Manager**

By virtue of Section 6, Section 9, Paragraph 3 of Section 16, and Section 17(4) of the *Derivatives Act B.E. 2546 (2003)*, the Securities and Exchange Commission hereby issues the following regulations:

Clause 1 In this Notification:

“*private fund of general investors*” means a private fund whose management is assigned by the following persons:

- (1) mutual fund;
- (2) provident fund;
- (3) other persons who are not an institutional investor according to the definition under Section 3 of the *Derivatives Act B.E. 2546 (2003)*.

“*Office*” means the Office of the Securities and Exchange Commission.

Clause 2 An applicant for registration of derivatives business operation in the category of derivatives fund manager shall be any of the following juristic persons:

- (1) commercial bank under the *Law on Commercial Banking*;
- (2) finance company under the *Law on Finance Business, Securities Business and Credit Foncier Business*;
- (3) securities company under the *Law on Securities and Exchange*;
- (4) life insurance company under the *Law on Life Insurance*;
- (5) limited company or public limited company newly established to obtain an approval for operating securities business in the category of mutual fund management or private fund management under the *Law on Securities and Exchange*.

Clause 3 An applicant for registration of derivatives business operation in the category of derivatives fund manager under Clause 2(1) to (4) shall be licensed to undertake securities business in the category of mutual fund management or private fund management pursuant to the *Law on Securities and Exchange* or shall be an applicant for a license to undertake securities business in the category of private fund management, and shall have the following qualifications:

- (1) capable of operating derivatives business in the category applied for registration pursuant to the law governing business operation of such juristic person;
- (2) capable of maintaining net capital and reserves pursuant to the rules under the law governing business operation of such juristic person;
- (3) capable of showing that a good work system for operating derivatives business in the category of derivatives fund manager will be established in accordance with the *Notification of the Securities and Exchange Commission concerning Regulations on Derivatives Fund Management*;

(4) capable of showing the readiness of the personnel to be in charge of the work as derivatives fund manager in accordance with the *Notification of the Securities and Exchange Commission concerning Regulations on Derivatives Fund Management*.

In the case where the applicant for registration expresses the intention to operate business as derivatives fund manager exclusively for clients who are institutional investors other than *private funds of general investors*, the applicant shall be exempted from the qualifications under (3) and (4).

Clause 4 An applicant for registration of derivatives business operation in the category of derivatives fund manager who is a juristic person under Clause 2(5) shall have the following qualifications:

(1) having paid-up registered capital at an amount no less than the paid-up registered capital of securities companies licensed to operate securities business in the category of mutual fund management or private fund management as specified by the Securities and Exchange Commission in accordance with the *Law on Securities and Exchange*;

(2) having the qualifications under Clause 3(3) and (4);

(3) having the qualifications under Clause 3(2) in the case where the shareholders who hold more than ten percent of the total shares sold are the juristic persons under Clause 2(1)(2)(3) or (4).

In the case where the applicant for registration expresses the intention to operate derivatives business exclusively for clients who are institutional investors other than *private funds of general investors*, such applicant for registration shall be exempted from the qualifications under (2).

Clause 5 The juristic persons under Clause 2 who will apply for registration of derivatives business operation in the category of derivatives fund manager shall file the application with the SEC Office within the period, and according to the form attached with evidentiary documentation, as specified in the Notification of the SEC Office.

Clause 6 In applying for registration of derivatives business operation in the category of derivatives fund manager, the applicant shall consent to and accommodate the official's visit to the business operation premises or the location of the applicant or other related places to examine facts related to the financial condition, business operation, assets or other relevant information of the applicant for registration.

Clause 7 The *Office* shall finish the consideration and make a decision on the application for registration of derivatives business operation in the category of derivatives fund manager within the following periods:

(1) within thirty days as from the date when the *Office* receives the application and the evidentiary documentation in full in the case where the applicant expresses the intention to operate business as derivatives fund manager exclusively for clients who are institutional investors other than *private funds of general investors*;

(2) within ninety days from the date when the *Office* receives the application and the evidentiary documentation in full in the case where the applicant expresses the intention to operate business as derivatives fund manager exclusively for clients who are *private funds of general investors*.

In the case where the applicant has not obtained a license to operate securities business in the category of mutual fund management or private fund management, and the *Office* considers accepting the registration for derivatives business operation in the category of derivatives fund manager, the acceptance for registration shall become effective after the

applicant has obtained the securities business license and such license has become effective.

Clause 8 An applicant registered to operate derivatives business in the category of derivatives fund manager who will provide services to clients who are *private funds of general investors* as well may begin operation of such derivatives business only after the *Office* has conducted an examination and viewed that the registered applicant has arranged the work system and personnel as specified in Clause 3 or Clause 4 except in the case where difference in methods does not cause any material change to the system specified in the application for registration.

Clause 9 This Notification shall come into force from 6 January 2004.

Notified this 23rd day of January 2004.

Captain Suchat Jaovisidha
Minister of Finance
Chairman
Securities and Exchange Commission