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Notification of the Securities and Exchange Commission
No. KorThor. 7/2547
Re: Registration of Derivatives Business Operator
in the Category of Derivatives Broker and Derivatives Dealer

By virtue of Section 6, Section 9 and the third paragraph of Section 16 of the Derivatives Act B.E. 2546 (2003), the Securities and Exchange Commission hereby issues the following regulations:

Clause 1. In this Notification:

(1) “derivatives business operator” means a derivatives business operator in the category of derivatives broker or derivatives dealer;

(2) “SEC Office” means the Office of the Securities and Exchange Commission.

Clause 2. An applicant for the registration as a derivatives business operator must be a juristic person as follows:

(1) a commercial bank under the law on commercial bank;

(2) a financial company under the law of finance business, securities business, and credit foncier business;

(3) a securities company licensed to be a securities business operator in the category of securities broker, or securities dealer which is not limited to debt instruments or granting credit for securities business under the law on Securities and Exchange;

(4)¹ a juristic person established under foreign law, which is a derivatives business operator in the category of derivatives dealer under the law of such foreign country; provided that this is limited to the case derivatives dealer registration.

¹ As added by the Notification of the Securities and Exchange Commission No. KorThor. 47/2547 Re: Registration of Derivatives Business Operator in the Category of Derivatives Broker and Derivatives Dealer (No. 2), dated 8 October 2004.

Clause 3. An applicant for derivatives business operator registration under Clause 2 (1) and (2) shall possess the qualifications as follows:

(1) being capable of operating the derivatives business of the category under the relevant supervisory law ;

(2) being capable of maintaining capital and reserve under relevant supervisory law;

(3) demonstrate efficient systems to prevent conflict of interest, Chinese wall among different departments and staffs, internal control and follow up measures to ensure effective implementation.

Clause 4. Beside the qualifications prescribed under Clause 3, an applicant for derivatives business operator registration under Clause 2 (3) must demonstrate policies and measures on risk control and management, operational management and internal control system in order to efficiently operate derivatives business, including control and follow up measures to ensure effective implementation .

Clause 4/1.² The applicant for a derivatives business operator registration in the category of derivatives dealer under Clause 2 (4) shall demonstrate to the Office that:

(1)³ being a derivatives business operator in the category of derivatives dealer in accordance with the law of its home country;

(2)⁴ undertaking derivatives business in the category of derivatives dealer in its home country where it is subject to an official supervision or a derivatives trading regulator whose regulation on certain derivatives business is equivalent to those prescribed in the Derivatives Act B.E. 2546 (2003) including the Notifications and circular notices issued or laid down the guideline of implementation to such Act.

(3)⁵ not being under restriction or suspension in undertaking derivatives business as a derivatives dealer by the regulator of its home country.

Clause 5. The juristic person under Clause 2 that wishes to register as a derivatives business operator shall submit an application form to the SEC together with the supplementing documents and evidences prescribed by the SEC.

² As added by the Notification of the Securities and Exchange Commission No. KorThor. 47/2547 Re: Registration of Derivatives Business Operator in the Category of Derivatives Broker and Derivatives Dealer (No. 2), dated 8 October 2004.

³ As added by the Notification of the Securities and Exchange Commission No. KorThor. 47/2547 Re: Registration of Derivatives Business Operator in the Category of Derivatives Broker and Derivatives Dealer (No. 2), dated 8 October 2004.

⁴ As added by the Notification of the Securities and Exchange Commission No. KorThor. 47/2547 Re: Registration of Derivatives Business Operator in the Category of Derivatives Broker and Derivatives Dealer (No. 2), dated 8 October 2004.

⁵ As added by the Notification of the Securities and Exchange Commission No. KorThor. 47/2547 Re: Registration of Derivatives Business Operator in the Category of Derivatives Broker and Derivatives Dealer (No. 2), dated 8 October 2004.

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Clause 6. The SEC shall consider and issue an order relating to the application for derivatives business operator registration within sixty days from the date of receiving the correct and complete application and evidential documents.

Clause 6/1⁶ In case where registered derivatives business operator has ceased the status of the juristic person under Clause 2, the derivatives business registration under this Notification shall be deemed terminated.

Clause 7. This Notification shall come into force as from 6 January 2004.

Notified this 23rd day of January 2004.

Suchart Jaovisidha
(Captain Suchart Jaovisidha)
Minister of Finance
Chairman of the Securities and Exchange Commission.

Remarks:

The Notification of the Securities and Exchange Commission No. KorThor. 7/2547 Re: Registration of Derivatives Business Operator in the Category of Derivatives Broker and Derivatives Dealer, dated 23 January 2004, published in the Government Gazette, General issue, Special section, Vol. 121Ngor, dated 30 January 2004.

The Notification of the Securities and Exchange Commission No. KorThor. 47/2547 Re: Registration of Derivatives Business Operator in the Category of Derivatives Broker and Derivatives Dealer (No. 2), dated 8 October 2004, published in the Government Gazette, General issue, Special section, Vol. 121Ngor, dated 29 October 2004.

⁶ As added by the Notification of the Securities and Exchange Commission No. KorThor. 47/2547 Re: Registered to be Derivatives Business Operator in the Categories of Derivatives Broker and Derivatives Dealer (No. 2), dated 8 October 2004.