

(Translation)

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**Notification of the Securities and Exchange Commission
No. Sor Thor/Khor. 40/2547**

**Re: Form of Applications for Registration to be
a Derivatives Business Operator in the Category of Derivatives Broker,
Derivatives Dealer and Derivatives advisor.**

By virtue of Clause 5 of the Notification of the Securities and Exchange Commission No. KorThor. 7/2547 Re: Registration to be a Derivatives Business Operator in the Category of Derivatives Broker and Derivatives dealer, dated 23 January 2004 and Clause 4 of the Notification of the Securities and Exchange Commission No. KorKhor. 10/2547 Re: Registration to be a Derivatives Business Operator in the Category of Derivatives Advisor, dated 23 January 2004, the SEC Office hereby issues the following regulations:

Clause 1. The Notification of the Securities and Exchange Commission No. SorThor/Khor. 5/2547 Re: Form of Applications for Registration to be a Derivatives Business Operator in the Category of Derivatives Broker, Derivatives Dealer and Derivatives Advisor, dated 29 January 2004 shall be repealed.

Clause 2. The applicant for registration to be a derivatives business operator in the category of derivatives broker, derivatives dealer and derivatives advisor shall submit an application for registration in the form 16-4 and documentary evidence annexed to this Notification together with two photocopies thereof to the Office.

Clause 3. This Notification shall come into force from 1 November 2004.

Notified this 19th Day of October 2004.

Thirachai Phuvanatanarubala
(Mr. Thirachai Phuvanatanarubala)
Secretary-General
Office of the Securities and Exchange Commission

(Translation)

Form 16-4

The office of Securities and Exchange Commission

Form of Registration to be a Derivatives Business Operator

Instruction

1. An applicant for registration to be a general derivatives business operator shall specify the detail only in Part I and Part III.
2. A juristic person established under foreign law who applies for registration to be a derivatives business operator in the category of derivatives dealer shall specify the detail only in Part II and Part III.

(Translation)

Date.....

Part I: Application for registration to be a general derivatives business operator.

1. Information of the applicant,

<p>Category of business applied for registration</p> <ul style="list-style-type: none"><input type="checkbox"/> to be a derivatives broker<input type="checkbox"/> to be a derivatives dealer	<p>Category of business applied for registration</p> <ul style="list-style-type: none"><input type="checkbox"/> to be a derivatives advisor
<p>1.1 Category of juristic person of the applicant,</p> <ul style="list-style-type: none"><input type="checkbox"/> a commercial bank under the law on commercial bank (CB.);<input type="checkbox"/> a finance company under the law on undertaking of finance business, securities business, and credit foncier business (FC.);<input type="checkbox"/> a securities company under the law on securities and exchange (SC.) licensed to operate securities business in the category of:<ul style="list-style-type: none"><input type="radio"/> securities broker;<input type="radio"/> securities dealer that not limited only to debt instrument;<input type="radio"/> securities finance.	<p>1.1 Category of juristic person of the applicant,</p> <ul style="list-style-type: none"><input type="checkbox"/> a commercial bank under the law on commercial bank (CB.);<input type="checkbox"/> a finance company under the law on undertaking of finance business, securities business, and credit foncier business (FC.);<input type="checkbox"/> a securities company under the law on securities and exchange (SC.) licensed to operate securities business in the category of:<ul style="list-style-type: none"><input type="radio"/> securities broker<input type="radio"/> securities dealer<input type="radio"/> investment advisor<input type="radio"/> securities underwriting<input type="radio"/> mutual fund management<input type="radio"/> private fund management<input type="radio"/> other, (please specify).....

1.2. Name of applicant

.....

1.3 Address of head office.....

.....
telephone number..... facsimile number

.....

2. Details for supplementing the consideration:

2.1 A license granted by the authorized organization or agency under the law (only in the case of a CB. or FC.)

- a photocopy of license or notification issued by such organization or agency permitting the applicant to operate the derivatives business in the category applied for registration.

2.2 Maintenance of capital funds and reserve (only in the case of a CB. or FC.)

- a documentary evidence showing that the applicant is capable of maintaining capital funds and reserve prescribed by the law controlling the business operation of the applicant i.e. a capital funds maintenance calculating form for a commercial bank registered in Thailand (ThorPhor. 10) as of the latest month.

2.3 Measure on prevention of the conflict of interest and Chinese wall.

- demonstrate in detail on the above mentioned measure, at least in the following matters:

(a) an organization chart and scope of power, duty and responsibility of the organizations concerning derivatives business showing the separation between organizations and personnel whose responsibility or nature of work may cause conflict of interest

(b) a guideline of operation for preventing conflict of interest and Chinese wall.

(c) a method and procedure for controlling and monitoring the operation under (b).

In case the applicant is a SC. and applies for registration to be a derivatives business operator in the category of derivatives broker and derivatives dealer, additional matters in detail are required as follows:

2.4 Policy and measure on risk control and management, operational management and internal control system which at least shall contain:

(a) the policy and measure in writing;

(b) the determination and amendment of such policy and measure each time has been granted prior approval by the authorized Committee or management concerned;

(Translation)

(c) number of persons and information of the personnel who are responsible for risk management arising from derivatives transactions, indicating names, positions, academic records, working experiences and training courses in the related programmes (if any) such as CISA, CFA etc.;

(d) as regard the credit risk management, there shall be explained the procedure of credit approval, standard of measuring credit exposure and determination of credit limits of the counterparty;

(e) as regard the price risk management, there shall be explained the procedure and measure on price risk management of investment, derivatives and products or underlying issues such as position limit, pricing model, method and frequency in the marking to market, collateral requirement and the preparation for readiness to cope with price volatility, etc.;

(f) legal risk management, such as by using standard form contract or otherwise there shall be specifying the method of inspection on validity of such contract, etc.;

(g) practice on internal inspection and control, performance inspection and hierarchical risk report to the executive;

(h) appropriate and reliable system for recording information and hierarchical information report to the executive;

(i) procedure and method for controlling and monitoring the performance under the prescribed policy, measure and system.

Remark:

In the case where a CB. or FC. applies for registration to be a derivatives business operator in the category of derivatives broker or derivatives dealer shall also demonstrate the document submitted to the Bank of Thailand relating to protection system and measure on risk control and management, operational management and internal control system.

**Part II : Application for registration to be a derivatives business operator
in the category of derivatives dealer by a juristic person established
under foreign law.**

1. Personal Information of the applicant:

- 1.1 Name of applicant.....
- 1.2 Location of the office established by the applicant
telephone number facsimile number.....
- 1.3 Paid-up capital..... Baht
- 1.4 Total assets.....Baht. Total liabilities.....Baht
Information updated until (date).....

2. Information in detail for supplementing the consideration.

2.1 The business operation of the applicant is under the supervision of the State or the agency authorized to supervise derivatives trading as:

- being licensed to be a derivatives dealer;
- having been registered to be a derivatives dealer;
- being permitted to be a derivatives dealer without having to apply

for a license or registration.

By the authorized agency.....
Country.....

2.2 Regulation on scope of business operation:

- No
- Yes, please specify the following scope:
 - category of underlying products or underlying variables (i.e., financial instrument/ commodity/interest rate/index etc.)
.....
 - category of counterparty (i.e. general investor/ institutional investor/financial institution etc.)
.....
 - type of transaction (OTC /on exchange etc.)
.....
 - type of derivatives contract (futures/options /forwards/swaps etc.)
.....
 - others.....
.....

(Translation)

Part III : Certification and acceptance of the applicant.

I hereby certify that I possess all of the qualifications prescribed under the Notification of the Securities and Exchange Commission on registration to be a derivatives business operator in the category of derivatives broker and derivatives dealer or the Notification of the Securities and Exchange Commission on registration to be a derivatives business operator in the category of derivatives advisor (as the case may be) issued under the Derivatives Act, B.E. 2546 (2003) and certify that the content contained in the application for registration and documentary evidences attached to this form are all true and correct.

Signature.....Authorized Person
Position.....
Date.....

Signature.....Authorized Person
Position.....
Date.....

Seal (If any)

Remarks:

1. The applicant may duplicate this application and fill in the content instead of using this form.
2. Signatures required in the genuine application form and documentary evidences shall be signed in every page by authorized directors having binding force on the applying juristic person. As regard the photocopies thereof, every page must be certified true and correct.

Name of contact person

Position	Telephone No.
Facsimile No.....	E-mail address