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**Notification of the Securities and Exchange Commission**  
**No. KorThor/Nor/Khor. 4/2548**  
**Re: Qualifications and Other Prohibited Characteristics of**  
**Executives of Securities Companies**  
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By virtue of Section 14 and Section 103(9) and (10) and Section 109 of the Securities and Exchange Act B.E. 2535 (1992), the Securities and Exchange Commission hereby issues the following regulations:

**Clause 1.** The following Notifications shall be repealed:

- (1) The Notification of the Securities and Exchange Commission No. KorThor/Nor. 13/2542 Re: Qualifications and Other Prohibited Characteristics of Executives of Securities Companies dated 12 June 1999;
- (2) The Notification of the Securities and Exchange Commission No. KorThor/Nor. 62/2543 Re: Qualifications and Other Prohibited Characteristics of Executives of Securities Companies (No.2) dated 23 November 2000.

**Clause 2.** In this Notification:

- (1) “Securities company” means any company licensed to undertake securities business;
- (2) “Executive” means director, manager or person with power of management;
- (3) “Person with power of management” means executive director, deputy manager, assistant manager, department director, branch manager and shall also mean any person holding equivalent position called otherwise and such person shall be responsible for a line of work relating to provision of securities services, securities operation or research on securities or capital markets or other similar lines of work, regardless of whether the operation of such line of work is to provide services for other persons or for the benefit of the company itself;
- (4) “Executive director” means any person who is appointed by the board of directors as executive director or authorized to make decisions on company’s business operation on behalf of the board of directors;
- (5) “Department director” means any person who is responsible for the internal operation of a department in the company;
- (6) “Work experience” means work experience in a financial institution or other organization in a line of work relating to money market or capital market, or work experience in the management level that is beneficial to management of securities business or work experience from being an academic expert or professional in accounting, finance, business administration, economics or law;
- (7) “Office” means the Office of the Securities and Exchange Commission.

**Clause 3<sup>1</sup>**. An executive of any securities company shall have the following qualifications:

(1) Having academic qualification and work experience in accordance with the following rules, except being granted an exemption by the Office:

(a) In respect of executive director, director authorized to sign on behalf of the company, independent director, manager or any person holding equivalent position called otherwise:

1. At least a bachelor's degree or equivalent degree accredited by the Office of the Civil Service Commission and not less than three years of work experience; or

2. Lower than a bachelor's degree and not less than five years of work experience;

(b) In respect of deputy manager, assistant manager, department director, branch manager or any person holding equivalent position called otherwise:

1. At least a bachelor's degree or equivalent degree accredited by the Office of the Civil Service Commission and not less than one year of work experience; or

2. Lower than a bachelor's degree and not less than three years of work experience;

(2) An independent director shall:

(a) hold shares of not more than five percent of all shares with voting rights of the securities company, parent company, subsidiary company, affiliate company or person who may have conflicts of interest;

(b) not be an employee, staff, advisor who earns salary, or controlling person of the securities company, parent company, subsidiary company, affiliate company, or person who may have conflicts of interest;

(c) not be parents, spouses, brothers, sisters, children and children of spouses, either by blood or by law, of the executive, major shareholder, controlling person or candidate for the position of executive or controlling person of the securities company or its subsidiary;

(d) not have business relationship with the securities company, parent company, subsidiary company, affiliate company or person who may have conflicts of interest that may impede the exercise of independent judgment, and any relationship that causes the inability to freely give comments on the operation of the securities company;

The words "parent company," "subsidiary company," "affiliate company," "person who may have conflicts of interest," "major shareholder" and "controlling person" shall, *mutatis mutandis*, be of the definitions specified in the Notification of the Securities and Exchange Commission relating to filing and exemption from filing of registration statement for securities offering;

(3) A manager, deputy manager, assistant manager, department director, branch manager and any person holding equivalent position called otherwise shall work full time for the securities company, unless being granted an exemption by the Office.

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<sup>1</sup> Repealed for amendment by the Notification of the Securities and Exchange Commission No.KorThor/Nor/Khor. 14/2549 Re: Qualifications and Other Prohibited Characteristics of Executives of Securities Companies (No. 2) dated 2 May 2006

The provision under the first paragraph shall not apply to the executive of the securities company licensed to undertake securities business in the category of mutual fund management for foreign investors or the exempted person under Section 103(7) or (8)(b) or (c) of the Securities and Exchange Act B.E. 2535 (1992).

**Clause 4.** An executive of any securities company shall not possess any prohibited characteristics as specified in the Notification of the Securities and Exchange Commission on prohibited characteristics of securities business personnel.

When it appears that any executive of a securities company possesses any prohibited characteristic, the Office shall proceed in accordance with the rules and procedures specified in the Notification of the Securities and Exchange Commission on prohibited characteristics of securities business personnel.

**Clause 5.** When it appears that any executive of a securities company possesses any prohibited characteristic as specified in the Notification of the Securities and Exchange Commission on prohibited characteristics of securities business personnel and such person is no longer fit to perform the duties of such position, and the Office has notified the securities company in writing, the securities company shall undertake any steps to relieve such executive from being the executive of the securities company within necessary and justified period of time without delay.

**Clause 6.** Any securities company which has an executive with prohibited characteristics as specified in Section 103 of the Securities and Exchange Act B.E. 2535 (1992) or as specified in the Notification of the Securities and Exchange Commission on prohibited characteristics of securities business personnel, such securities company shall notify the fact in writing to the Office within seven days from the date on which the securities company knows or is plausibly aware of the prohibited characteristics of such executive.

**Clause 7.** The provision in Clause 3(1)(b) shall not apply to any person holding the position of branch manager or other equivalent position called otherwise prior to the date on which this Notification comes into force.

**Clause 8.** This Notification shall come into force as from 1 March 2005.

Notified this 17<sup>th</sup> day of January 2005.

(Mr. Somkid Chatusripitak)  
Finance Minister  
Chairman of the Securities and Exchange Commission

**Note:**

Notification of the Securities and Exchange Commission No. KorThor/Nor/Khor. 4/2548 Re: Qualifications and Other Prohibited Characteristics of Executives of Securities Companies dated 17 January 2005 published in the Government Gazette on

Notification of the Securities and Exchange Commission No. KorThor/Nor/Khor. 14/2549 Re: Qualifications and Other Prohibited Characteristics of Executives of Securities Companies (No.2) dated 2 May 2006 published in the Government Gazette on