

**The Office of the Securities and Exchange Commission**

12 June 2007

To: Managers

All securities companies

Circular No. SEC.Khor.(Wor) 26/2550 Re: Clarification on Guidelines for the Renewal of Approval for Investor Contact

Reference is made to the Office's guidelines for the renewal of approval for investor contact (the "Contacts") pursuant to Circular No. SEC.Khor.(Wor) 25/2550 dated 17 June 2007 Re: Guidelines for the Renewal of Approval for Investor Contact whereby the renewal of approval shall be considered on the basis of the skills and knowledge in relation to the performance of duty as investor contact using three criteria being 1. Participation in activities accepted by the Office, 2. Further education and 3. Maintenance of status.

In order to ensure that all parties concerned understand and duly comply with the guidelines, the Office hereby offers clarification regarding the consideration of the skills and knowledge based on the guidelines and other relevant practices as follows:

**1. Participation in activities accepted by the Office**

**1. Form of activities**

The Office prescribes the form of activity in which the Contacts will develop their skills and knowledge. The Contacts may participate in either one or more of the following activities namely, (i) attending a training course or seminar organized in-house by a securities companies or provided by training institutes approved by the Office; or (ii) being a lecturer, instructor or full-time teacher or guest lecturer at university-level educational institutions accepted by the Office.

**2. Scope of activities**

The scope of activities must relate to the skills and knowledge useful for performance of duties as investor contact including:

**2.1 Business-related knowledge e.g.:**

(a) Various securities activities or related activities such as derivatives market, securities borrowing and lending;

(b) New types of securities or related financial instruments such as derivatives, exchange traded fund (ETF), property funds, structured notes and other debt securities;

(c) Relevant knowledge on accounting, finance and tax such as accounting standards;

(d) Knowledge on assessment or analysis of securities value;

(e) Knowledge on enhancement of supporting skills or level of service quality to customers (soft skills) such as customer advising technique, etc.

## 2.2 Knowledge on rules, regulations, ethics or relevant laws e.g.:

(a) Rules and regulations concerning undertaking of securities businesses or compliance with the law governing securities and exchange such as the rules on the undertaking of business as securities broker, securities underwriting, prevention of using inside information, takeover, issuance and offer for sale of securities;

(b) Standards of conduct, ethics and various guidelines for investor contacts;

(c) Relevant laws such as anti-money laundering law, law governing commercial banking, etc.

The Office will not determine attendance hours of the activities under 2.1 and 2.2 so that it is more flexible for securities companies to prepare their training courses which best suit the needs of their personnel and that a wider range of activities will be available for the Contacts to enhance their skills and knowledge.

In amending the rules for the renewal of approval, the Office adds more categories of skill enhancing activities to include in-house training courses which comply with the requirements prescribed by the Office. This is to encourage securities companies to organize more in-house training which will support the ongoing personnel's skill development to be better suit the market needs and to serve customers better. In addition, this will help reduce personnel training costs for securities companies which regularly organize in-house training.

### **3. Duration of activity**

The Contacts may accumulate their participation hours in the activities accepted by the Office provided that at least 15 hours of attendance are achieved during the latest two calendar years prior to the expiration of the approval term.

Hours of participation will be accumulated as follows:

	<b>Training or Seminar</b>	<b>Lecturer</b>	<b>Full-time Lecturer or Guest Lecturer</b>
Minimum hours of participation in the activity accepted by the Office	A minimum of 3 hours per course or seminar	A minimum of 1 hour of lecturing per subject	
Hours accumulation	<ol style="list-style-type: none"> <li>1. Breaks will not be counted except breaks of 15 minutes or less</li> <li>2. For fractions of hour:               <ol style="list-style-type: none"> <li>a. Less than 30 minutes will not be counted</li> <li>b. 30 – 45 minutes will be counted half an hour</li> <li>c. More than 45 minutes will be counted as an hour</li> </ol> </li> <li>3. Hours of attendance in training, seminar or lecture of the same subject will not be counted.</li> </ol>		<ol style="list-style-type: none"> <li>1. Up to 3 hours per subject will be accumulated.</li> <li>2. Teaching on the same subject will not be counted.</li> </ol>

#### **4. Application for activity acceptance by the Office**

##### **4.1 Eligible applicants**

(a) In respect of training course or seminar, the organizer such as training institutes or securities companies shall be the person to submit application to the Office;

(b) In respect of lecturing or teaching, the Contact shall submit application to the Office directly.

##### **4.2 Period for consideration**

In respect of training course or seminar, the organizer should file information with the Office in advance so as to ensure that such training course or seminar can be duly counted in the participation hours. The Office will inform the result of consideration within 15 days from the date on which it has received the required information in full. The accepted courses will be published in the website of the Office.

If the organizer fails to file the information in advance or submit the information on a short notice, the Office may not accept the course and the organizer will not be able to advertise the course as an accepted course for the renewal of approval for investor contacts.

##### **4.3 Information on training and seminar to be filed with the Office**

Information to be filed with the Office shall at least contain the followings: (1) the course name; (2) the organizer name; (3) targeted participants; (4) the course content in brief; (5) period for training and accumulated hours; (6) brief profile of lecturer; and (7) procedure for verifying attendance.

## **5. Evidence on activity attendance**

For a purpose of considering the renewal of approval for investor contacts, the Contacts and the organizer must keep the following relevant evidence:

5.1 The Contacts – the complete evidence in full of their participation in knowledge development activities to be kept for at least two years from the year in which the renewal is granted;

5.2 The organizer – the evidence of organizing the training course and evidence of attendance of the Contacts to be presented to the Office following completion of the training or seminar or upon the Office's request. In this regard, the Office may request the organizer to send the participants' information to the database center via the electronic system to facilitate access of information of the Contacts.

## **2. Further education**

The Contacts who have passed the Certified Investment and Securities Analyst (CISA) or the Chartered Financial Analyst (CFA) course at any level or graduate with a master's degree or higher<sup>1</sup> during the latest two calendar years prior to the expiration of the approval term can submit their 'pass' examination result or their graduation evidence in filing for renewal approval with the Office without having to attend any further training.

## **3. Maintenance of status**

1. The Contacts being approved on a basis of being an executive of a securities company, mutual fund manager or private fund manager will be granted renewal of the approval if they maintain such status when the renewal application is filed.

2. The Contacts approved on a basis of being an approved or registered investor contact with a regulatory organization on capital market of a country accepted by the Office will be granted renewal of the approval if they maintain such status when the application is filed and have passed at least three hours of training courses on rules, regulations, ethics or relevant laws during the latest two calendar years prior to the expiration of the approval term.

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<sup>1</sup> Being in the field of business administration, finance, accounting, economics or any field with at least one half of the curriculum, based on number of subjects studied, comprising courses on finance, investment, accounting or economics.

The Contacts who are granted the renewal of approval under 1 and 2 above may have their approval terminated prior to the expiration of the approval term under the events set out in the Notification of the Office of the Securities and Exchange Commission concerning approval for investor contacts and standards of conduct.

Please be informed and act accordingly. Dissemination of the content hereof to all concerned parties would be highly appreciated. Should you have any query please contact the Office at [inva@sec.or.th](mailto:inva@sec.or.th). The Office will further publish the questions and answers on its website.

Yours faithfully,

-Signature-

(Mr. Thirachai Phuvanatanarubala)  
Secretary-General

Enclosure: The Office's Circular No. SEC.Khor.(Wor) 25/2550 Re: Guidelines for the Renewal of Approval for Investor Contacts dated 12 June 2007.

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Cc: Chairman, Association of Securities Companies; Chairman, Association of Investment Management Companies; Chairman, Securities Analysts Association; Chairman, The Thai Life Assurance Association; Secretary General, The Thai Bankers' Association; Secretary General, The Foreign Banks' Association