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The Office of the Securities and Exchange Commission

26 December 2007

To: Managers

All securities companies

No. SEC.Khor.(Wor) 50/2550 Re: Clarification on the principles and guidelines concerning the mutual recognition of investor contacts between Thailand and Singapore under the Memorandum of Understanding

The Office has introduced the cross-recognition of qualification on education and experience of market professional project in anticipation of cross-border capital flows in the ASEAN region in the future and in order to facilitate cross-border service provision of the region's capital market professionals. In connection with the project, on 16 August 2007, the Monetary Authority of Singapore ("MAS") and the Office signed a memorandum of understanding (the "MoU") for the mutual recognition of qualification of investor contacts at the ASEAN Capital Market Forum meeting in the Philippines. The MoU will come into effect as from 1 January 2008.

After the MoU comes into effect, investor contact licensing applicants who have passed the required product knowledge examination in their country do not need to pass the equivalent product knowledge examination in the other country to which the application is made. This will speed up the application process and facilitate service provision in the other country. It also promotes exchange of knowledge between countries. The key elements of the MoU are as follows:

1. Course Recognition. Licensing applicants who have passed the product knowledge examination in their country are able to use the passing certificate as an evidence to be exempted from retaking the product knowledge examination in another country. This is based on the fact that product knowledge courses feature international basic knowledge without any significant difference from country to country. Nonetheless, licensing applicants are required to pass admission test on the rules and regulations of the country to which the application is made since the markets in each country operate under different rules and regulations.

Singapore's product knowledge courses recognized by the Office are Module 6 Securities Products and Analysis ("**Module 6**") and Module 8 Collective Investment Schemes ("**Module 8**") of the Capital Markets and Financial Advisory Services Examination (CMFAS exam). Thailand's product

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knowledge course recognized by MAS is the examination for Investor Contact Category B¹ (Module 1 of the Investor Contact Competency Examination – “Module 1”).

2. Scope of Transactions. Eligible activities for which investor contacts can provide service are dealing in securities (i.e. equity, debt instrument and investment units) or advising on securities as incidental to brokerage business², but excluding in-dept advising, in the manner provided by investment advisers, and securities analysts.

3. Principal securities company. The license applications must be submitted by the principal securities company in the country to which the application is made. In Singapore, the application requirements is complied with the above criterion. In Thailand, the Office will consider the license applications on the criteria of being the approved or the registered to perform duties similar to the investor contacts from a regulatory organization of a country accepted by the Office³ because such criteria required the principal securities companies to submit the applications in order to in line with the above criterion.

This mutually cooperative initiative features the first step toward reducing regulatory barrier to investor contacts providing services in cross-border capital markets. The Office also realizes the importance of promoting closer international cooperation to facilitate cross-border capital product transactions and capital flows. The Office is in a process of conducting studies and liaison with countries in the region to further expand cross-border transactions in capital markets in the near future.

Please be informed accordingly.

Yours faithfully,

-Signature-

(Mr. Pravej Ongartsittigul)

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¹ This is the so-called ‘Single License’ or ‘Investor Contact’ course under Section 1: Financial Market Mechanism and Fundamental Knowledge on Investment and Section 2: Fundamental Knowledge on Instruments and Valuation, whose examination comprises 75 questions.

² Equivalent to Thailand’s Category B Investor Contact or Singapore’s licensing applicant for (1) dealing in securities (2) advising others concerning securities (excluding collective investment schemes) and (3) advising on and/or marketing of collective investment schemes.

³ Pursuant to Case 3 of the Qualifications of the Applicant for Approval of Category B Investor Contact attached to the Notification of the Office of the Securities and Exchange Commission No. SorKhor. 15/2548 Re: Approval for Investor Contacts and Standards of Conduct dated 21 June 2005.