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**Notification of the Office of the Securities and Exchange Commission
No. SorThor/Nor/Dor/Khor. 11/2551**

**Re: Rules, Conditions and Procedures for the Establishment of Risk
Management System for Business Continuity of Securities Companies**

By virtue of:

(1) Clause 4(2) of the Notification of the Securities and Exchange Commission No. KorThor. 42/2543 Re: Rules, Conditions and Procedures for Securities Brokerage and Securities Dealing Which Are Not Debt Instruments dated 26 September 2000 and Clause 25/1 of the Notification of the Securities and Exchange Commission No. KorThor. 42/2543 Re: Rules, Conditions and Procedures for Securities Brokerage and Securities Dealing Which Are Not Debt Instruments dated 26 September 2000 as amended by the Notification of the Securities and Exchange Commission No. KorThor. 23/2549 Re: Rules, Conditions and Procedures for Securities Brokerage and Securities Dealing Which Are Not Debt Instruments (No. 10) dated 25 October 2006;

(2) Clause 4 of the Notification of the Securities and Exchange Commission No. KorThor. 43/2543 Re: Rules, Conditions and Procedures for Dealing of Securities Which Are Debt Securities dated 26 September 2000 and Clause 20/1 of the Notification of the Securities and Exchange Commission No. KorThor. 43/2543 Re: Rules, Conditions and Procedures for Dealing of Securities Which Are Debt Securities dated 26 September 2000 as amended by the Notification of the Securities and Exchange Commission No. KorYor. 26/2549 Re: Rules, Conditions and Procedures for Dealing of Securities Which Are Debt Securities (No.11) dated 25 October 2006;

(3) Clause 3 and Clause 4 of the Notification of the Securities and Exchange Commission No. KorThor. 24/2549 Re: Rules, Conditions and Procedures for Operational Control of Securities Underwriting dated 25 October 2006;

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(4) Clause 2(1) and Clause 19 of the Notification of the Securities and Exchange Commission No. KorNor. 30/2547 Re: Rules, Conditions and Procedures for Establishment and Management of Funds dated 10 June 2004;

(5) Clause 4(3) of the Notification of the Securities and Exchange Commission No. KorThor. 5/2539 Re: Rules, Conditions and Procedures for Undertaking of Securities Business in the Category of Securities Financing dated 13 July 1996;

(6) Clause 2 and Clause 9 of the Notification of the Securities and Exchange Commission No. KorKhor. 42/2547 Re: Rules, Conditions and Procedures for Brokerage, Dealing and Underwriting of Investment Units dated 3 August 2004; the Office of the Securities and Exchange Commission hereby issues the following regulations:

Clause 1. In this Notification:

“Securities company” means any company licensed to undertake securities business in the category of securities brokerage, securities dealing, securities underwriting, mutual fund management, private fund management and securities financing.

“Critical function” means any activities related to services, transactions or any other functions of a securities company, the disruption of which would significantly affect customers, business operation, reputation, position and results of operation of the securities company.

“Service provider” means a provider of services as an investor contact on behalf of securities companies or a provider of back office services to securities companies.

“Office” means the Office of the Securities and Exchange Commission.

Clause 2. This Notification shall not apply to financial institutions whose core business is under direct supervision of another regulatory agency and later obtained license to undertake securities business, provided that such regulatory agency has in place the requirements or practices under the principles similar to the rules on risk management for business continuity of securities companies pursuant to this Notification.

Clause 3. In order to ensure that critical functions of a securities company will continue or be restored in a timely manner in the event of disruption

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of its normal operations, the securities company shall establish a policy on business continuity management that is approved by its board of directors.

Clause 4. A securities company shall establish measures to control and monitor compliance with the policy set out in Clause 3 and allocate sufficient resources to support the implementation of the policy.

Clause 5. A securities company shall identify its critical functions, assess their risks of major operational disruptions, conduct business impact analysis and assess potential damages arising from major operational disruptions to ensure prioritization of systems, processes and resources required for effective recovery of business operations.

Clause 6. A securities company shall establish in writing a business continuity plan covering all critical functions which at minimum shall include the following components:

(1) Operational procedures for maintaining or recovery of business operations which contain sufficient details for implementation by the personnel or person assigned to operate the securities company;

(2) Information, including the roles and responsibilities, of the personnel in charge of operations in the event of major operational disruption;

(3) Procedures for communications with relevant internal and external parties which at minimum shall include the method and channel of communications and information concerning relevant parties and personnel in charge of communications.

The business continuity plan under the first paragraph must be approved by the board of directors or a working committee appointed by the board to be in charge of the implementation of the business continuity management policy.

In case of any material amendment, change or modification to the business continuity plan, the securities company shall comply with the requirement set out in the second paragraph.

Clause 7. A securities company shall update information relating to the personnel in charge of operations under Clause 6(2) and of the relevant parties and personnel responsible for the communications under Clause 6(3).

Clause 8. If critical functions are outsourced to service providers, the securities company shall ensure that the business continuity plan under Clause 6

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covers events of disruption of service providers except where the securities company has established any arrangement to ensure that the relevant service provider is able to continue to provide the critical functions in such event of disruption.

Clause 9. A securities company shall carry out the followings task at least once each year:

- (1) Testing and reviewing of the business continuity plan under Clause 6;
- (2) Evaluation of the test results under (1) and preparation of the test evaluation report by the personnel in charge who is qualified, knowledgeable and independent;
- (3) Reporting the results of the test, reviewing and evaluation under (1) and (2) to the board of directors or a board-appointed working committee in charge of implementation of the business continuity management policy.

In the event of changes in the organizational structure, operational systems or other events which significantly affect the operations, the securities company shall take the actions required under (1) without delay.

Clause 10. In the event that a major operational disruption occurs, a securities company shall report to the Office the cause leading to such disruption together with relevant details at the earliest time but no later than the next business day from the date on which the disruption occurs. Once the major operational disruption ends, the securities company shall notify the Office without delay.

Clause 11. A securities company shall keep documents and evidence relating to the proceedings under Clause 9 and Clause 10 for a minimum period of two years from the preparation date thereof and in the manner which facilitates prompt inspection by the Office upon request.

Clause 12. This Notification shall come into force as from 1 October 2008.

Notified this 28th day of April 2008.

(Mr. Thirachai Phuvanatanarubala)

Secretary-General
The Office of the Securities and Exchange Commission