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Notification of the Office of the Securities and Exchange Commission
Re: Arbitral Process Organized by the Office

With regard to the Office's providing of the arbitral process under the Derivatives Act B.E. 2546 (2003) in addition to the arbitral process under the Securities and Exchange Act B.E. 2535 (1992), it is deemed necessary to improve the processes and procedures for settlement of disputes by arbitration to be able to accommodate disputes relating to securities and derivatives contracts to ensure that the arbitral process organized by the Office is convenient, expeditious and fair for investors, the Office of the Securities and Exchange Commission hereby issues the following regulations:

Clause 1. This Notification shall come into force as from 16 May 2008.

Clause 2. The followings shall be repealed:

(1) The Notification of the Office of the Securities and Exchange Commission No. OrNor. 25/2544 Re: Arbitral Process dated 28 November 2001;

(2) The Notification of the Office of the Securities and Exchange Commission No. OrNor. 22/2545 Re: Arbitral Process (No. 2) dated 15 November 2002;

(3) The Notification of the Office of the Securities and Exchange Commission No. OrNor. 7/2547 Re: Arbitral Process (No. 3) dated 13 October 2004.

Clause 3. In this Notification:

“respondent” means any of the followings:

- (1) a securities company;
- (2) a local share selling agent;
- (3) a mutual fund supervisor;
- (4) a private fund custodian;

(5) a derivatives business operator;

“claimant” means any person who is caused damage by the act of the respondent or any other person assigned by such claimant;

“SET” means the Stock Exchange of Thailand;

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

Chapter I

General Provision

Clause 4. The arbitral proceeding other than those prescribed herein shall be in compliance with the provisions of the Arbitration Act.

Clause 5. In the arbitral process, the Office shall assign its staff to perform administrative work for the arbitrator.

Chapter II

Filing of Dispute

Part I

General Provision

Clause 6. The dispute to be filed by the claimant into the arbitral process organized by the Office shall have the following characteristics:

(1) The dispute arising from the respondent’s failure to comply with the contract, the Securities and Exchange Act, the Provident Fund Act, the Derivatives Act, or the rules prescribed by the Securities and Exchange Commission, the Capital Market Supervisory Board, the Office, the Board of Directors of the SET, or the SET;

(2) The dispute for which each claimant seeks compensation not exceeding one million baht, and

(3) In case of the dispute arising from the providing of securities business services, or the failure to comply with the Securities and Exchange Act, the Provident

Fund Act, or any rule prescribed thereunder, such dispute shall also have the following characteristics:

(a) the dispute occurred not more than six months from the date on which the claimant knows or should have known of the cause of such dispute and not more than one year from the date on which the dispute occurred except where the Office deems it necessary and appropriate;

(b) the dispute between a natural person who agrees, receives or uses services, or enters into a contract with the respondent relating to securities or securities business, or the dispute between a provident fund member and the respondent, provided that the claimant shall demonstrate a written evidence or agreement that the respondent gives consent to resolve the dispute by the arbitral process organized by the Office;

(c) the dispute already filed through the complaint system as prescribed by the notification of the Securities and Exchange Commission or the notification of the Office of the Securities and Exchange Commission relating to the handling of customer's complaint, as the case may be, and it appears the fact that;

1. the claimant is not contacted by the complaint handling officer according to the said notification within fifteen days from the date on which the claimant files the complaint;

2. the claimant's complaint is not resolved within forty five days from the date on which the claimant files the complaint, unless the claimant agrees to extend such period; or

3. the claimant is not satisfied with the compliant resolution.

Clause 7. In filing the dispute to the Office, the claimant shall submit a statement of claim in the Form OrYor. 1 prescribed by the Office, together with documents and evidence as specified in such form and shall make sufficient copies of the statement of claim to be delivered to the respondent. The claimant may request for the Office's mediation of dispute prior to commencing the arbitral process, at the same time of filing the dispute.

Clause 8. Several claimants sharing a like claim against the respondent on the common grounds of laws and facts against the respondent may jointly file the dispute to the Office, provided that each claimant seeks compensation not exceeding one million baht. In this regard, the claimants shall appoint in writing, as per form OrYor. 2 prescribed by the Office, a representative in the arbitral proceeding on their behalf, and shall also indicate the number of arbitrators for the arbitral proceeding at the same time of filing the dispute.

Clause 9. After the officer assigned by the Office has examined the dispute filing form and is of opinion that:

(1) the claimant has completely and accurately submitted the filing form under Clause 7 and has deposited the full amount of the arbitrator's fee under Clause 32, the Office shall register the statement of claim and submit a copy of such statement of claim to the respondent at the address indicated in the statement of claim via registered mail;

(2) the statement of claim does not meet the conditions set forth in Clause 6, the Office shall notify the rejection and return such statement of claim to the claimant within fifteen days from the date on which the Office receives such statement;

(3) the statement of claim is incomplete or unclear, the claimant shall make correction or addition within thirty days from the date on which the Office notifies the claimant. In cases where the claimant does not make correction or addition within such period of time, it shall be deemed that the claimant no longer intends to proceed the arbitral process and the Office shall terminate the proceeding for such statement of claim.

Clause 10. After receiving a copy of the statement of claim, the respondent may file a counterclaim as per Form OrYor. 3 prescribed by the Office to the Office, together with sufficient copies of the counterclaim for being submitted to the claimant within fifteen days from the date of receipt of the copy of the statement of claim. The respondent shall deposit the arbitrator's fee in accordance with Clause 32 at the same time of filing the counterclaim, or within the last day of the counterclaim filing period.

Clause 11. In cases where any party intends to appoint a representative for the arbitral proceeding or intends to appoint any person to assist in the arbitral proceeding, the party shall notify the Office of the name and address of such person in writing.

Chapter III

Mediation of Dispute

Clause 12. In cases where the claimant expresses the intention to request the Office to mediate the dispute prior to commencing the arbitral process, the

Office shall notify the respondent of the claimant's intention at the time of delivering a copy of the statement of claim to the respondent.

After receiving the copy of the statement of claim which the claimant intends to request for the mediation, the respondent shall inform the Office in writing of its intention whether or not to have the mediation within fifteen days from the date of receipt of the copy of the statement of claim. If the respondent fails to inform his intention within such period of time, it shall be deemed that the respondent no longer has the intention to mediate. In this regard, the respondent may file a counterclaim together with a letter indicating his intention relating to the above mediation.

Clause 13. If the mediation of dispute is successful, the parties shall make a contract of compromise as per Form OrYor. 4 prescribed by the Office. If the mediation is unsuccessful whether because the parties cannot reach an agreement or the Office is of opinion that it is no use continuing the mediation, the parties shall notify the Office to terminate the mediation or the Office may order to terminate the mediation, as the case may be, and then the parties shall enter into the arbitral process organized by the Office.

Chapter IV

Appointment and Challenge of Arbitrator

Clause 14. In the arbitral proceeding, there shall be one arbitrator who makes a dispute resolution, except for the case under Clause 15. The parties shall select the arbitrator from the arbitrator list of the Office by the following methods:

(1) the claimant shall select three arbitrators ranking in preference order and notify the Office, in writing, within fifteen days from the date of filing the statement of claim or the date on which the mediation of dispute is terminated due to the unsuccessfulness of the mediation, as the case may be. If the claimant fails to notify the list of his selected arbitrators within such period of time, it shall be deemed that the claimant no longer intends to continue the arbitral proceeding and the Office shall terminate the proceeding for such dispute, except where the Office deems it necessary and appropriate;

(2) after the Office has submitted the claimant's selected list of three arbitrators to the respondent, the respondent shall select one arbitrator from the list and notify the Office within seven days from the date on which the respondent receives such name list. If the respondent fails to notify the name of his selected arbitrator

within such period of time, it shall be deemed that the respondent intends to appoint the arbitrator who ranks first in the claimant's selected list;

(3) in cases where the respondent intends to challenge all of the three arbitrators in the claimant's selected list because there is a circumstance that gives rise to justifiable doubts as to their impartiality or independence, the respondent shall submit a letter of challenge together with the reason for the challenge as per Form OrYor. 6 prescribed by the Office to the Office within seven days from the date on which the respondent receives the name list. If the Office is of opinion that there is a reasonable ground for the challenge, the procedure under (1) and (2) shall be applied *mutatis mutandis* until the selection of the arbitrator from the arbitrator list of the Office can not be made. If the Office is of opinion that there is not a reasonable ground for the challenge, the Office shall notify the respondent to select the arbitrator from the claimant's selected list within seven days from the date on which the Office notify the respondent. If the respondent fails to notify the name of his selected arbitrator within such period of time, it shall be deemed that the respondent intends to appoint the arbitrator who ranks first in the claimant's selected list;

(4) in cases where the parties cannot select an arbitrator from the arbitrator list of the Office, or cannot select an arbitrator within sixty days from the date on which the Office completely receives the statement of claim in accordance with the rules on acceptance of dispute or from the date on which the mediation of dispute is terminated due to the unsuccessfulness of the mediation, it shall be deemed that the parties no longer intends to continue the arbitral process and the Office shall terminate the proceeding for such dispute, except where the Office deems it necessary and appropriate.

Clause 15. In cases where several claimants jointly file the dispute under Clause 8 and seek compensation collectively exceeding one million baht, the claimants may indicate their intention to appoint a panel of three arbitrators in the statement of claim, and the respondent may indicate his intention whether or not to agree to have three arbitrators in the counterclaim under Clause 10.

In cases where the parties agree to appoint a panel of three arbitrators, the parties shall select the arbitrators from the arbitrator list of the Office by the following methods;

(1) the claimant shall select one arbitrator and notify the Office in writing within fifteen days from the date of ending of the respondent's counterclaim filing period or the date on which the mediation of dispute is terminated due to the unsuccessfulness of the mediation, as the case may be. If the claimant fails to select the arbitrator within such period of time, it shall be deemed that the claimant no longer intends to continue the arbitral proceeding and the Office shall terminate the

proceeding for such dispute, except where the Office deems it necessary and appropriate;

(2) the respondent shall select one arbitrator and notify the Office in writing within fifteen days from the date of ending of the counterclaim filing period or the date on which the mediation of dispute is terminated due to the unsuccessfulness of the mediation, as the case may be. If the respondent fails to select the arbitrator within such period of time, the Office shall appoint the arbitrator on behalf of the respondent;

(3) the arbitrators selected under (1) and (2) shall together select another arbitrator to be the chairman of the arbitrator panel.

If the respondent refuses to have three arbitrators or the respondent does not show his intention whether or not to have three arbitrators within the specified period of time, it shall be deemed that the respondent intends to have one arbitrator. The claimant shall select three arbitrators from the arbitrator list ranking in preference order and notify the Office in writing within fifteen days from the date on which the Office notify the claimant of the respondent's refusal or not showing of intention. If the claimant fails to notify the name of arbitrators within such period of time, it shall be deemed that the claimant no longer intends to continue the arbitral proceeding and the Office shall terminate the proceeding for such dispute, except where the Office deems it necessary and appropriate. In this regard, the provision under Clause 14(2), (3), and (4), shall be applied *mutatis mutandis*.

Clause 16. When the selection of arbitrators under Clause 14 or Clause 15 is completed, the parties shall appoint the arbitrators as per Form OrYor. 5 or OrYor. 5-1 prescribed by the Office, as the case may be.

Clause 17. Upon the appointment or during the period of duty performance, the appointed arbitrator shall disclose to the parties all facts that may give rise to justifiable doubts as to his impartiality or independence in performing duty as arbitrator (if any).

Clause 18. If there is a circumstance that gives rise to justifiable doubts as to the impartiality or independence of any appointed arbitrator, any party may submit a letter of challenge of such arbitrator together with the reason for the challenge as per Form OrYor. 6 prescribed by the Office to the Office within fifteen days from the date on which each party knows or should have known the cause of such challenge, but not later than the date on which the arbitrator closes the consideration.

If the Office concurs with the challenge under the first paragraph, new arbitrators shall be selected and the provision under Clause 14 or Clause 15 shall be

applied *mutatis mutandis*. The arbitral proceeding shall be restarted if there is only one arbitrator or the challenge has been made to the whole panel of arbitrators. If the challenge is not successful, the arbitral proceeding shall continue. However, the challenge or the withdraw of arbitrators shall not mean the acceptance of the correctness of the cause of the challenge.

Chapter V

Arbitral Proceeding

Clause 19. The arbitral proceeding shall be conducted in Thai language.

Clause 20. No matter how far the arbitral proceeding has been conducted, the arbitrator may mediate the dispute if deemed appropriate.

Clause 21. The hearing of evidence shall be conducted confidentially, unless otherwise agreed by the parties. The arbitrator shall determine whether to hold hearings or to take verbal or written assertion, or whether the proceeding shall be conducted solely upon the basis of documents or any other evidence.

Clause 22. If it deems necessary and appropriate, the arbitrator may request the opinions on the dispute from relevant organizations, or may seek approval from the parties to have an expert to give opinions on the dispute. An expert shall be independent and have no personal interest with any party which may cause biased and unfair opinions.

The arbitrator shall determine the expert's remuneration. The remuneration for each expert shall not exceed fifty thousand baht per dispute and shall be classified as part of the expense of the arbitral proceeding under Clause 36.

Clause 23. If the claimant does not appear in the first consideration and does not notify the reasons in writing before the commencement of the consideration, the arbitrator may dispose such dispute, or if the arbitrator deems it appropriate, may consider the case on one-sided basis.

In cases where any party does not appear in any subsequent consideration and does not submit a request to postpone the arbitral proceeding or does not notify the

reasons in writing before the commencement of the consideration, the arbitrator, if deems it appropriate, may consider the case on one-sided basis.

In cases where the respondent requests for the postponement of the consideration and where the arbitrator deems it appropriate to postpone the consideration, such postponement shall not exceed two times. The arbitrator may charge the expense from the respondent on an actual basis (if any) to pay the claimant. Such expense shall not be classified as the expense under Clause 36.

Clause 24. If the parties have no additional evidence to present to the arbitrator, the arbitrator shall order to close the consideration.

Chapter VI

Dispute Resolution

Clause 25. A dispute resolution shall be completely made within ninety days from the date of appointment of the arbitrator. Except where it is deemed necessary and appropriate, the arbitrator, at its own discretion, may extend the period for making a dispute resolution but not exceeding one hundred and eighty days from the date of appointment of the arbitrator or where the parties agree otherwise.

Clause 26. In cases where there are three arbitrators, each arbitrator shall have one vote and a dispute resolution shall be made by majority vote. In the event of a tied vote, the chairman of the arbitrator panel shall solely make a dispute resolution.

Clause 27. A dispute resolution shall be made as per Form OrYor. 7 prescribed by the Office. The Office shall deliver a copy of the dispute resolution to the parties within seven days from the date on which the dispute resolution is made.

Clause 28. The Office may disclose the dispute resolution to the public, but shall not disclose the full name of the parties, unless given consent by the parties.

Clause 29. In cases where any party has doubts relating to the statement in the dispute resolution, such party may file, through the Office, a motion

requesting the arbitrator to interpret such statement within thirty days from the date on which such party receives the copy of the dispute resolution. The interpretation shall be deemed as part of the dispute resolution.

Clause 30. In cases where the arbitrator does not make a resolution on any material matter, any party may file, through the Office, a motion requesting the arbitrator to additionally make a resolution on such matter within thirty days from the date on which such party receives the copy of the dispute resolution.

If the arbitrator is of opinion that such matter is material and a resolution on such matter has not been made, the arbitrator shall additionally make a resolution on such matter within thirty days from the date of receipt of such request.

If the arbitrator is of opinion that such additional resolution cannot be made without hearing additional facts, the arbitrator may order the parties to take additional witness and evidence. The arbitrator shall make additional resolution within sixty days from the date of receipt of such request. In case of necessity, the arbitrator, at its own discretion, may extend the period as deemed appropriate but not exceeding one hundred and twenty days from the date of receipt of such request.

Clause 31. The arbitrator shall submit the case file and all relevant documents to the Office for filing.

Chapter VII

Arbitrator's Fee and Other Expenses

Clause 32. The arbitrator's fee shall be charged at a rate of two percent of the amount of compensation claimed, but not less than five thousand baht. The arbitrator shall determine which party shall pay the arbitrator's fee.

In case of joint dispute filing under Clause 8, the arbitrator's fee shall be charged at a rate specified under the first paragraph of the amount of the aggregate compensation claimed, but shall not exceed one hundred thousand baht for each dispute. In cases where there are three arbitrators, the fee shall be charged at a said rate and each arbitrator shall receive a fee of not exceeding one hundred thousand baht for each dispute.

Clause 33. If the claimant does not deposit the arbitrator's fee as specified in Clause 9(1), it shall be deemed that the claimant no longer intends to continue the arbitral proceeding.

Clause 34. The arbitrator appointed by the parties to make a dispute resolution shall be entitled to receive the remuneration from the Office at the amount of two thousand baht for each consideration of dispute, but shall not exceed twenty thousand baht for each dispute.

Clause 35. In cases where the arbitral proceeding is terminated, if the arbitrator orders any party to pay the arbitrator's fee, the arbitrator shall return a deposit without interest to the party who is not obliged to pay the fee within seven days from the date on which the arbitrator makes such order.

Clause 36. The expenses incurred in the arbitral proceeding for a dispute arising from the providing of securities business services, or the failure to comply with the Securities and Exchange Act or the Provident Fund Act, or any rule prescribed thereunder shall be paid in half by the claimant and another half by the respondent. The Office shall give financial assistance to the claimant as the Office deems appropriate.

The Office shall bear all expenses incurred in the arbitral proceeding for a dispute arising from derivatives contracts, or the failure to comply with the Derivatives Act or the rules issued under the Derivatives Act.

For the benefit of expense calculation under the first and second paragraph, the Office shall deem that the arbitral process commences on the date of appointment of the arbitrator.

Notified this 14th day of May 2008.

(Mr. Thirachai Phuvanatanarubala)

Secretary-General

The Office of the Securities and Exchange Commission