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**Notification of the Securities and Exchange Commission  
No. KorKhor. 16/2551  
Re: Granting of Approval for Undertaking Derivatives Business in the  
Category of Derivatives Broker Limited to Gold Derivatives**

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By virtue of Section 9 and the third paragraph of Section 16 of the Derivatives Act B.E. 2546 (2003) which contain certain provisions relating to the restriction of rights and liberties of persons, which Section 29 in conjunction with Section 33, Section 34, Section 36, Section 41, Section 43 and Section 45 of the Constitution of the Kingdom of Thailand so permit by virtue of law, the Securities and Exchange Commission hereby issues the following regulations:

**Clause 1.** In this Notification:

(1) “Gold derivatives brokerage business” means derivatives business in the category of derivatives broker limited to gold derivatives.

(2) “Gold business operator” means any person undertaking business relating to buying or selling gold in Thailand.

(3) “Major shareholder” means any holder or beneficial owner of shares in the amount exceeding ten percent of the total shares with voting rights of the applicant.

For the purpose of the first paragraph, a beneficial owner of shares means the beneficial owner of shares pursuant to the fourth paragraph of Section 25.

(4) “Work experience relating to gold” means experience of working in the business relating to buying or selling gold or gold derivatives.

**Clause 2.** An applicant for a license to undertake gold derivatives brokerage business shall be a limited company or public limited company which is newly established to obtain the license for such business and in which one or several gold business operators undertaking business for not less than a period of three consecutive years holds more than fifty percent of its total shares with voting rights.

**Clause 3.** An applicant shall be granted a license to undertake gold derivatives brokerage business upon meeting the following requirements:

- (1) Having paid-up registered capital of no less than one hundred million (100,000,000) baht;
- (2) There being no event which may affect the financial conditions or operations of the applicant;
- (3) Being able to show that at least one of its directors has work experience of no less than three years relating to gold;
- (4) Being able to show that any individual being its director, manager or person with power of management who is in charge of derivatives business of the applicant meets the requirements and does not have any prohibited characteristics pursuant to Section 24 and the notification of the Securities and Exchange Commission or the notification of the Capital Market Supervisory Board concerning qualifications and prohibited characteristics of executives of derivatives business operator;
- (5) Being able to show that any individual being its major shareholder does not have any prohibited characteristics pursuant to the second paragraph of Section 25 and the notification of the Capital Market Supervisory Board concerning prohibited characteristics of major shareholders of derivatives business operator, and in the case where such major shareholder is a legal entity, its director, manager and partner do not have any of such prohibited characteristics;
- (6) Being able to show its sound and effective management system;
- (7) Being able to show that it has established effective policy and measures for prevention of conflicts of interest, improper access to inside information among work units and personnel (Chinese Wall), internal control and risk management in undertaking gold derivatives brokerage business, including the measures to control and monitor compliance with the established policy and measures;
- (8) Being able to show the readiness of its work system in undertaking gold derivatives brokerage business;
- (9) Being able to show the readiness of its personnel in charge of gold derivatives brokerage business.

**Clause 4.** An applicant shall submit an application and supplementary documents to the SEC Office in accordance with the format and procedures specified in the electronic work system of the SEC Office.

**Clause 5.** In the case where the SEC Office considers that an applicant has properly and fully met the requirements under Clause 3, it shall submit the matter to the Securities and Exchange Commission for consideration of issuing a license within sixty days from the date on which the SEC Office receives

the application and supplementary documents in full. The Securities and Exchange Commission shall complete its consideration within thirty days from the date on which it receives the matter from the SEC Office.

The license for gold derivatives brokerage business shall be in the form attached to this Notification.

**Clause 6.** In considering the application under Clause 5, the SEC Office, in addition to reviewing the application and the supplementary documents, shall be authorized to instruct the applicant to provide explanation in person or submit further documents as seen appropriate within a specified period of time. In such case, the period from the date on which the SEC Office gives such instruction to the date on which the applicant has given the explanation or submitted further documents in full, shall be excluded from the periods specified under Clause 5.

**Clause 7.** A licensee of gold derivatives brokerage business shall comply with the following conditions:

(1) The licensee shall commence the undertaking of gold derivatives brokerage business only when the SEC Office verifies that the licensee has satisfied the qualifications under Clause 3(6), (7), (8) and (9) as provided in the application except where there is any difference in detail to the extent that it will not materially change the qualifications provided in the application;

(2) The licensee shall maintain the qualifications and arrangements set out under Clause 3 at all time during which it undertakes gold derivatives brokerage business;

(3) The licensee shall maintain the shareholding proportion in the manner required under Clause 2 at all time during which it has been granted the license for gold derivatives brokerage business.

If the licensee fails to satisfy any condition set out under the first paragraph, the Securities and Exchange Commission may revoke its license.

**Clause 8.** Fees for application and issuance of license for undertaking derivatives business under this Notification shall be as follows:

(1) Application fee for gold derivatives brokerage business license shall be thirty thousands (30,000) baht per application;

(2) Gold derivatives brokerage business license fee shall be five hundred thousands (500,000) baht per license.

The license fee shall be paid by the licensee on the date when it receives the license.

**Clause 9.** This Notification shall come into force as from 16 November 2008.

Notified this 14<sup>th</sup> day of November 2008.

(Mr. Vijit Supinit)

Chairman

The Securities and Exchange Commission

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**Remarks:** The reason for issuing this Notification is that it deems appropriate to offer opportunities for gold business operators with proper qualifications and readiness in term of financial and management capability to undertake derivatives business in the category of derivatives broker limited to gold derivatives.

Licence No.

**License to Undertake Derivatives Business in the Category of  
Derivatives Broker Limited to Gold Derivatives**

By virtue of the provisions under Section 9 and Section 16 of the Derivatives Act B.E. 2546, the Securities and Exchange Commission hereby grants to \_\_\_\_\_  
which is registered as \_\_\_\_\_ registration number \_\_\_\_\_ at \_\_\_\_\_  
on \_\_\_\_\_ (date/month/year) \_\_\_\_\_ the license to undertake derivatives business in the category of derivatives broker limited to gold derivatives;

Whereas the company shall comply with the Derivatives Act B.E. 2546.

This license shall come into force as from (date/month/year) \_\_\_\_\_

Given on (date/month/year) \_\_\_\_\_

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Chairman

The Securities and Exchange Commission