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**Notification of the Capital Market Supervisory Board  
No. TorThor. 1/2551  
Re: Rules, Conditions and Procedures for Brokerage  
and Dealing of Foreign Securities  
(Codified)**

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By virtue of Section 16/6, Section 109, Section 113 and Section 114 of the Securities and Exchange Act B.E. 2535 (1992) as amended by the Securities and Exchange Act (No.4) B.E. 2551 (2008) which contains certain provisions relating to the restriction of rights and liberties of persons which Section 29 in conjunction with Section 33, Section 34, Section 41, Section 43, Section 44 and Section 64 of the Constitution of the Kingdom of Thailand so permits by virtue of law, the Securities and Exchange Commission, acting as the Capital Market Supervisory Board under Section 60 of the Securities and Exchange Act (No. 4) B.E. 2551 (2008), hereby issues the following regulations:

**Clause 1**<sup>1</sup> In this Notification:

“Securities company” means a company licensed to undertake securities business in the category of securities brokerage or securities dealing;

“Foreign securities” means securities which are issued in foreign currency denomination and offered in foreign countries;

“Foreign securities exchange” means a juristic person established under foreign laws which is allowed to provide services of securities exchange or securities trading center by virtue of such laws and governed by government agencies or securities regulators (regulated exchange);

“Allotted quota” means quota of foreign securities or derivatives investment which the Bank of Thailand delegates the Office to make allotment;

**Clause 2** This Notification shall be applied to brokerage and dealing of foreign securities by securities companies under allotted quota.

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<sup>1</sup> As amended by the Notification of the Capital Market Supervisory Board No. TorThor. 92/2552  
Re: Rules, Conditions and Procedures for Brokerage and Dealing of Foreign Securities (No.2)  
dated 15 October 2009

**Clause 3<sup>2</sup>** In providing foreign securities brokerage services, a securities company shall provide services only for trading of the following securities:

(1) securities listed in foreign securities exchange including rights obtaining from previous securities investment;

(2) bonds or debt instruments issued or guaranteed by foreign governments, foreign government agencies, or international organizations;

(3) bonds or debt instruments issued or guaranteed by state enterprises under foreign laws;

(4) debt instruments issued by foreign private entities that instruments or issuers are investment grade;

(5) non-listed securities offered for sale to the public with a concrete plan to be listed on foreign securities exchange;

(6) investment units of foreign off-exchange traded mutual funds that have investment policy in securities in (1) (2) (3) (4) (5) or (7) or;

(7) any other securities as specified in the notification of the SEC Office

**Clause 4** In considering an application for opening an account and entering into the agreement which appoint the securities company as the securities broker of client, the securities company shall proceed as follows:

(1) Establishing methods and procedures for considering an application for account opening and entering into the written agreement with the client, which shall contain sufficient measures to ensure that the client is the same person as the one appears on the application document for an account opening including client identification, beneficial owner and controlling person.;

(2) Having sufficient information, or documentary evidence to ascertain the client investment objectives, knowledge, understanding and experience in foreign securities investment, financial ability to pay debt for considering an application for account opening and giving advice to the client.

In cases where the client under the first paragraph is an existing client who already has a securities trading account with the company, the company shall proceed in compliance with sub-paragraph (2) and verify identity of the client, ultimate beneficial owner and controlling person for securities trading of the client. The company shall provide adequate processes to ensure that the client is the same person who appears on the documents and evidences attached with the application for opening an account.

**Clause 5** In providing foreign securities brokerage services, a securities company shall proceed as follows:

(1) Providing procedures to ensure that a client is aware of risks involved in foreign securities investment. The company shall at least prepare risk disclosure statement regarding foreign securities investment with at least the particulars and material information as prescribed in the Association of Securities Companies Guidelines and approved by the Office;

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<sup>2</sup> As amended by the Notification of the Capital Market Supervisory Board No. TorThor. 92/2552  
Re: Rules, Conditions and Procedures for Brokerage and Dealing of Foreign Securities (No.2)  
dated 15 October 2009

(2) Notifying a client of procedures for trading instructions, settlement and delivery of securities as well as any other details relating to such procedures, including the conduct that comply with rules on securities trading of that foreign securities exchange;

(3) Arranging for a client's trading of foreign securities through a cash balance;

(4) Submitting reports of foreign securities trading in accordance with the format and procedures set out in an electronic system of the Office;

(5) Complying with the procedures, regulations and other guidelines relating to being foreign securities brokerage as prescribed by the Association of Securities Companies and approved by the Office.

**Clause 6** A securities company shall provide foreign securities brokerage services under allotted quota for each client upon consideration of appropriateness of such client's quota for foreign securities investment as per the forms and procedures specified by the Office.

In accepting each trading instruction of foreign securities from a client, a securities company shall check the availability of quota for such client to ensure that the client's investment is within the allotted quota.

**Clause 7** The provisions in Clause 3, Clause 4, Clause 5 and Clause 6 shall apply to a securities company's dealing of foreign securities *mutatis mutandis*.

**Clause 8**<sup>3</sup> In providing foreign securities brokerage services, a securities company shall be exempted from complying with the Notification of the Capital Market Supervisory Board No.Tor.Thor. 65/2552 Re: Rules and Procedures for Securities Brokerage Outside the Stock Exchange of Thailand dated 3 August 2009.

**Clause 9**<sup>4</sup> In dealing of foreign securities, a securities company shall be exempted from complying with Clause 8, Clause 15 and Clause 16 of the Notification of the Capital Market Supervisory Board No.Tor.Dor. 67/2552 Re: Rules, Conditions and Procedures for Dealing of Debt Securities dated 3 August 2009.

In cases where dealing of foreign securities under the first paragraph is made in foreign securities exchange, a securities company shall be exempted from complying with Clause 10, Clause 11, Clause 12, Clause 13 and Clause of the Notification of the Capital Market Supervisory Board No.Tor.Dor. 67/2552 Re: Rules, Conditions and Procedures for Dealing of Debt Securities dated 3 August 2009.

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<sup>3</sup> As amended by the Notification of the Capital Market Supervisory Board No. TorThor. 92/2552 Re: Rules, Conditions and Procedures for Brokerage and Dealing of Foreign Securities (No.2) dated 15 October 2009

<sup>4</sup> As amended by the Notification of the Capital Market Supervisory Board No. TorThor. 92/2552 Re: Rules, Conditions and Procedures for Brokerage and Dealing of Foreign Securities (No.2) dated 15 October 2009

**Clause 10** This Notification shall come into force as from 16 April 2008.

Notified this 28<sup>th</sup> day of March 2008.

-Signature-

(Mr. Surapong Suebwonglee)

Minister of Finance

Chairman of the Securities and Exchange Commission