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**Notification of the Office of the Securities and Exchange Commission  
Re: Guidelines for Application and Approval for Appointment of Person to be  
Director and Executive of Derivatives Business Operator B.E. 2553 (2010)**

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Whereas Section 24 of the Derivatives Act B.E. 2546 (2003) and Clause 2 of the Notification of the Capital Market Supervisory Board No. TorThor/Nor/Khor. 87/2552 Re: Qualifications and Prohibited Characteristics of Directors and Executives of Derivatives Business Operators dated 3 August 2009 stipulate that the appointment or consent to have any person become or act as a director, manager or person with power of management of derivatives business operator shall be approved by the SEC Office, the SEC Office hereby issues guidelines for application and approval for appointment of person to be director and executive of a derivatives business operator as follows:

**Clause 1** The Notification of the Office of the Securities and Exchange Commission No. OrThor/Nor/Khor/. 11/2548 Re: Guidelines for Application and Approval for Appointment of Executives of Derivatives Business Operators dated 31 October 2005 shall be repealed.

**Clause 2** The SEC Office prescribes guidelines for the application and approval for appointment of person to be director or executive as follows:

(1) In cases where a derivatives business operator appoints a new person as director or manager, or in other cases than (2), the derivatives business operator shall submit the following documents which are in accordance with the form and procedure provided on the website of the SEC Office:

(a) An application and supplementary documents;

(b) A letter certifying that the person has qualifications and does not have prohibited characteristics pursuant to the law governing derivatives and notifications issued by virtue of the said law. The letter of certification shall be signed by the person who is appointed to be director or manager and the derivatives business operator by its authorized director, or in case of authorization by the derivatives business operator, the certified signatory shall at least be the head of the department or a person holding any equivalent position otherwise called under a different name but in charge of a line of work relating to the derivatives business.

(2) In respect to the following cases, it shall be deemed that a derivatives business operator has already obtained an approval from the SEC Office for the appointment of its director and executive:

(a) Appointment of the following person in which the derivatives business operator has verified that such person is qualified and does not possess prohibited characteristics pursuant to the law governing derivatives and notifications issued by virtue of the said law:

1. person with power of management;
2. director or executive of a derivatives business operator which is a financial institution that already operates under the supervision of other regulatory authorities prior to obtaining a derivatives business license.

(b) Change of position of the person who has already been approved by the SEC Office from the position of manager to the position of director, or from the position of director with power of management to the position of director without power of management. In this regard, the derivatives business operator shall notify the SEC Office in writing of such change of position or power of the said person in accordance with the form and procedure provided on the website of the SEC Office within seven days as from the effective date of the change as well as state the effective date of such change in the notice.

**Clause 3** In considering granting of approval, the SEC Office shall rely on the rules stipulated by the law governing derivatives and notifications issued by virtue of the said law and shall openly notify the result of the consideration on the website of the SEC Office within five business days as from the date on which the SEC Office receives the application, supplementary documents and letter of certification which are complete and accurate.

In cases where the SEC Office needs to consider additional facts, the SEC Office shall notify the derivatives business operator in writing by stating the grounds or period of time required for such consideration, as the case may be.

In cases where the information included in the application, supplementary documents or letter of certification is inaccurate, the signatories under such documents may possess prohibited characteristics and may be subject to legal proceedings under the law governing derivatives and notifications issued by virtue of the said law.

**Clause 4** Other than upon the grounds of lack of qualifications or possession of prohibited characteristics pursuant to the law governing derivatives and notifications issued by virtue of the said law, the granting of approval for the appointment of director or executive of a derivatives business operator shall be terminated upon the person's vacating the position, such as upon an expiration of the term of office and no re-appointment has been granted, or due to the tender of resignation from the position, etc.

**Clause 5** Upon termination of the approval for the appointment of director or executive of a derivatives business operator, the derivatives business operator shall remove such person from the position or the duty without delay.

**Clause 6** When a derivatives business operator has obtained, or is deemed to have obtained, an approval for appointment of director or executive, or when the approval for the appointment of director or executive is terminated, such position is required to be registered with the Company and Partnership Registrar of the Ministry of Commerce. The derivatives business operator shall submit a copy of such registration certificate to the SEC Office within fifteen days as from the date of registration with the Registrar.

**Clause 7** This Notification shall come into force as from 1 February 2010.

Notified this 1<sup>st</sup> day of February 2010.

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(Thirachai Phuvanatanubala)

Secretary-General

Office of the Securities and Exchange Commission

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**Remark:** The reason for promulgation of this Notification is to: (1) improve the granting of approval of executives of derivatives business operators for promptness to better meet the needs of business sectors while maintaining the protection of investors from any risks arising from the appointment of any person lacking qualifications or possessing prohibited characteristics, and (2) harmonize the guidelines for application of approval of person to be director and executive of financial institutions under supervision of other regulatory authorities in respect of derivatives business with the guidelines in respect of securities business.