

TRANSLATED VERSION

codified up to No.3 as of June 16, 2014

Readers should be aware that only the original Thai text has legal force and that this English translation is strictly for reference.

Notification of the Securities and Exchange Commission

No. KorKhor. 9/2552

**Re: Rules on Application for Obtaining Approval and Granting to
Perform Trust Business**

By virtue of Section 8, Section 54, Section 55, Section 56 and Section 57 of the *Trust for Transactions in Capital Market Act B.E. 2550 (2007)* which contain certain provisions relating to the restriction of rights and liberties of persons, which Section 29 in conjunction with Section 32, Section 33, Section 41 and Section 43 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:

“*securities company*” means a company obtaining license under the law on securities and exchange¹ to undertake securities business in the following categories:

- (1) mutual fund management;
- (2) private fund management; or
- (3) brokerage, dealing or underwriting, excluding brokerage, dealing

or underwriting limited to debt securities or investment units.

“*major shareholder*” means a shareholder or a beneficial owner of shares in the amount more than 10% of the total number of 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 of the *Derivatives Act B.E. 2546 (2003)*.

¹ The law on securities and exchange means *The Securities and Exchange Act B.E.2535 (1992)*

Clause 2 For applying to perform trust business, an applicant shall be:

- (1) commercial bank established under the law on financial institution business²;
- (2) financial institution established under specific law;
- (3) *securities company*;
- (4) private or public limited company established under Thai law having one or more shareholders, which are entities under sub clause (1) (2) or (3), who hold(s) more than 90% of all issued shares of such company.

Clause 3 An applicant would obtain an approval to perform trust business only if the applicant possesses the following qualifications:

- (1) having paid-up registered capital not less than 100 million Baht;
- (2) there is no [i] reasonable grounds to believe that the applicant's financial status may cause damage, [ii] other circumstances indicating that the applicant is facing financial distress, or [iii] reasonable grounds to believe that the applicant has any deficiency or inappropriateness in operational control and compliance with good business practices;
- (3) being able to maintain capital funds and reserve fund in compliance with the law establishing or controlling business undertaking of the applicant;
- (4) being able to demonstrate that [i] a director, a manager or an authorized management person, responsible for undertaking trust business, of the applicant or [ii] *major shareholder* have qualification and do not have prohibited characteristics as specified in the Notification of the SEC Office³;

The provision in the first paragraph shall also be applicable to a director, a manager and a partner of the applicant's *major shareholder* which is a juristic person;

- (5) being able to demonstrate that the applicant would have a sound and efficient management;

² The law on financial institution business means *The Financial Institution Business Act B.E. 2551 (2008)*

³ *Notification of the Office of the Securities and Exchange Commission No. SorKhor. 22/2553*
Re: Prohibited Characteristics of Directors, Executives and Major Shareholders of Trustee
dated 4 June 2009.

(6) being able to demonstrate that the applicant would have an efficient policy and measure for [i] preventing conflicts of interest and the access of inside information by unauthorized personnel [ii] internal control and [iii] risk management of undertaking trust business, including measure for controlling and monitoring operation of its personnel to perform in accordance with the policy and measure thereof;

(7) being able to demonstrate that the applicant would have fit and proper operating system to perform trust business;

(8) being able to demonstrate that the applicant would have readiness of personnel responsible for business of trustee.

Clause 4 An applicant shall submit an application together with the relevant evidentiary documentation to the SEC Office in accordance with the form and procedure provided on the electronic system of the SEC Office.

Clause 5 In case the SEC Office deliberated that an applicant has correctly and completely qualified with criteria as prescribed under Clause 3, the SEC Office would make the proposal to the Securities and Exchange Commission for consideration of granting an approval within 60 days as from the date when the SEC Office has received complete application and evidentiary documentation. In this regard, the Securities and Exchange Commission would complete its deliberation within 30 days as from the date when the Securities and Exchange Commission has received the proposal from the SEC Office.

In case the Securities and Exchange Commission has granted an approval for the applicant to perform trust business, a license certificate shall be issued as evidence and shall be in the form attached herewith.

Clause 6 In deliberating an application under Clause 5, the SEC Office, in addition to reviewing the details in the application together with evidentiary documentation, is empowered to order the applicant to elucidate or deliver an additional evidentiary documentation as deemed appropriate within a specified period of time. In this regard, the period as prescribed in Clause 5 shall be interrupted until the applicant correctly and completely provides explanation or submits further evidentiary documentation.

Clause 7 In order to perform trust business, an approved person shall:

(1) commence trust business only after the SEC Office examined that the applicant has already prepared operating system and personnel which have been fulfilled in line with the proposal as demonstrated in the application under the criteria as specified in Clause 3(5), (6), (7) and (8);

(2) maintain qualifications as prescribed in Clause 3 including quality as demonstrated in the application throughout performing trust business;

(3) maintain the proportion of shareholding as specified under Clause 2(4) throughout performing trust business, in case of a person under Clause 2(4).

In case the approved person fails to comply with the conditions as prescribed in the first paragraph, the Securities and Exchange Commission may revoke such approval thereof.

Clause 8 Fees of application for obtaining approval to perform trust business shall be 30,000 baht per an application and shall be paid on the date of submitting application:

Fees for performing business shall be comply with the Notification of the Securities and Exchange Commission concerning such matter.

Clause 9 This Notification shall come into force as from 1 July 2009.

Notified this 4th day of June 2009.

- signature-
(Mr. Vjijt Supinit)
Chairman
Securities and Exchange Commission

Note: please note that the contents added in brackets [...] have only been provided in the English version for clearer understanding