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**Notification of the Capital Market Supervisory Board**

**No. TorThor. 26/2554**

**Re: Rules for Undertaking Derivatives Business for Registered Derivatives  
Broker and Dealer  
(No. 2)**

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By virtue of Section 18 of the Derivatives Act B.E. 2546 (2003) 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 36, Section 41, Section 43, and Section 45 of the Constitution of the Kingdom of Thailand so permit by virtue of law, the Capital Market Supervisory Board hereby issues the following regulations:

**Clause 1** Provision in Clause 12 of the Notification of the Capital Market Supervisory Board No. TorThor. 22/25523 Re: Rules for Undertaking Derivatives Business for Registered Derivatives Broker and Dealer dated 1 June 2010 shall be repealed.

**Clause 2** Provision in Clause 15 of the Notification of the Capital Market Supervisory Board No. TorThor. 22/25523 Re: Rules for Undertaking Derivatives Business for Registered Derivatives Broker and Dealer dated 1 June 2010 shall be repealed and replaced with the following provision:

“Clause 15 Derivatives dealer shall arrange to have a procedure to ensure that its customer acknowledge and understand information and risks associated with trading of derivatives, providing that it shall at least prepare documents for disclosure of following information and risks:

(1) information related to financial condition, trustworthiness and business undertaking of derivatives dealer;

(2) details related to types, characteristics, structure, products or variables and conditions of derivatives contract;

(3) benefits or returns that customer will receive from entering into the derivatives contract, profits or losses that may occur as well as details of calculation for such profits, losses, benefits or returns;

(4) risks that arise from entering into derivatives contract, any factor that may lead to such risks and scope of damage in the event that may have the maximum negative impact to the customer;

(5) dispute resolution channel between customer and derivatives dealer;

Provision in the first paragraph shall not be applicable to the following customers:

- (1) derivatives business operator under Thai or foreign law;
- (2) customer other than (1) who expresses intention in writing to refuse acceptance of such information from the derivatives dealer.

**Clause 3** This Notification shall come into force as from 16 September 2011.

Notified this 6<sup>th</sup> day of September 2011.

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(Chalee Chantanayingyong)  
Deputy Secretary-General  
Acting Secretary-General  
Office of the Securities and Exchange Commission  
Chairman  
Capital Market Supervisory Board