

TRANSLATED VERSION

As of April 9, 2015

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 Office of the Securities and Exchange Commission

No. SorChor. 30/2558

Re: Approval of Foreign Auditors

Whereas Section 61, Section 89 and Section 199 of the *Securities and Exchange Act B.E. 2535 (1992)*, and the *Notification of the Capital Market Supervisory Board concerning Offers for Sale of Shares of Foreign Companies*, and the *Notification of the Capital Market Supervisory Board concerning Disclosure of Financial and Non-financial Information of Foreign Companies* stipulate that the auditor who signs the audit report on the financial statements of a foreign company shall be an auditor approved by the SEC Office; therefore, the SEC Office hereby issues the following regulations on approval of foreign auditors:

Clause 1 This Notification is applicable to the approval of foreign auditors whereby an auditor approved by the SEC Office is allowed to perform audit work and affix signature upon giving an auditor's opinion only for foreign companies which intend to make a public offering of shares in Thailand or have been granted an approval to make such offering.

Clause 2 Any foreign auditor wishing to be an auditor approved by the SEC Office shall submit an application for approval to the SEC Office as per Form 61-1F together with evidentiary documentation as specified on the website of the SEC Office. In this regard, the SEC Office shall notify the applicant of the receipt of such Form and evidentiary documentation for consideration within seven days as from the date when the applicant has submitted such evidentiary documentation in full.

Clause 3 Any foreign auditor who submits an application for approval by the SEC Office under Clause 2 shall pay the application fee at the amount prescribed in the *Notification of the Office of the Securities and Exchange Commission concerning Determination of Fees on Filing of the Registration Statement, Registration and Other Applications* upon submission of such application.

In cases where it is necessary for the SEC Office to visit the audit firm for which the applicant works or any other establishment necessary for the consideration of approval, the applicant shall be responsible for the accommodations and the travelling expenses actually and reasonably incurred from such visit. In this regard, the SEC Office may set a clear criterion for such expenses.

Clause 4 The information or documents submitted to the SEC Office shall be in Thai or English unless the SEC Office grants a waiver for use of any language other than English.

In cases where the information or documents submitted to the SEC Office has been translated from any language other than Thai or English, the applicant shall also:

- (1) have the translator certify that it is a true and accurate translation of the original information or documents;
- (2) certify that the description in the translated version is actual or existing and that material facts have not been concealed.

Clause 5 In considering an application for approval, the SEC Office may require that the applicant clarify or give additional explanation within a period of time as specified by the SEC Office.

In cases where the applicant fails to proceed in accordance with the first paragraph, the SEC Office shall deem that such applicant no longer wishes to apply for an approval.

Clause 6 Any foreign auditor shall have any of the following characteristics before being eligible for an approval under this Notification:

- (1) being an auditor of the Public Interest Entities (PIEs) and regulated by a regulator which is internationally recognized, in accordance with the rules under Clause 7;
- (2) any cases other than (1) shall be as specified under Clause 8.

Clause 7 Any foreign auditor shall comply with the following rules before being eligible for an approval under Clause 6(1):

- (1) being an auditor qualified, by foreign laws or regulations, to audit the financial statements of a company whose shares are traded on the main board of a foreign exchange, and having experience in auditing the financial statements of such company;
- (2) being regulated by a regulator which has any of the following characteristics:
 - (a) having its auditor regulatory standards recognized by the International Forum of Independent Audit Regulators (IFIAR) or the European Commission (EC);
 - (b) being an independent agency whose duty is to regulate auditors in its country where the assessment result on the principle related to auditors in the Financial Sector Assessment Program (FSAP) is at a level not lower than broadly implemented.

Clause 8 Any foreign auditor shall comply with the following rules before being eligible for an approval under Clause 6(2):

- (1) being an auditor qualified by foreign laws or regulations;
- (2) working for only one audit firm which shall have the following

characteristics:

(a) having an audit quality control system which is sufficient and reliable for supervising the work performance of the subordinate auditors in compliance with professional standards on a continuous basis, and such audit quality control system shall comply with the International Standard on Quality Control (ISQC1) established by the International Federation of Accountants (IFAC);

(b) having auditors qualified by foreign laws or regulations, and assistant auditors having minimum academic qualification of a bachelor's degree, at a total number of not less than five persons. Such auditors and assistant auditors shall work full-time for the audit firm and at least two of them shall be the qualified auditors.

(3) having the qualifications and not having any prohibited characteristics as prescribed under Clause 12(2)(a).

The approved auditor under the first paragraph shall notify the SEC Office of the change of the audit firm as per Form 61-3F provided on the website of the SEC Office within thirty days as from the last day of serving the previous audit firm.

Clause 9 The SEC Office shall notify the result of the consideration of the application within the following periods of time:

(1) within thirty days as from the date when the SEC Office has received the complete evidentiary documentation in case of the applicant being a foreign auditor under Clause 6(1);

(2) within one hundred and twenty days as from the date when the SEC Office has received the complete evidentiary documentation in case of the applicant being a foreign auditor under Clause 6(2).

Clause 10 Each approval under this Notification shall last for a term of not more than two years.

Clause 11 In case of any of the following circumstances, the SEC Office may suspend or revoke the approval for any foreign auditor under Clause 6(1) as deemed appropriate:

(1) the foreign auditor lacks any qualification under Clause 7;

(2) the foreign auditor has any behavior indicating a lack of professional ethics or violating or failing to comply with the International Standards on Auditing

(ISAs) only in cases where such behavior may cause an adverse effect on the credibility of the overall Thai capital market.

Clause 12 Unless otherwise specified herein, the rules as prescribed in the *Notification of the Office of the Securities and Exchange Commission concerning the Approval of Auditors in the Capital Market* shall apply to the approval of foreign auditors under this Notification *mutatis mutandis*, in so far as such rules do not contradict the principle on supervision of foreign auditors, with regard to the following rules:

(1) in case of the applicant being a foreign auditor under Clause 6(1) or (2), the rules of such Notification shall apply to the following matters:

- (a) the consideration of behaviors deemed as prohibited characteristics including procedures and processes for such consideration;
- (b) the renewal of approval;
- (c) the duties of the auditor after obtaining an approval;
- (d) the power of the SEC Office to take any action concerning the approval including other rules.

(2) in case of the applicant being a foreign auditor under Clause 6(2), the following rules of such Notification shall also apply:

- (a) the qualifications and the prohibited characteristics of auditors excluding the rules concerning subordination under an audit firm;
- (b) the additional duties of the auditor who is the leader of an audit firm;
- (c) the rectification to maintain the prescribed qualifications;
- (d) the suspension, revocation and termination of the approval.

Clause 13 This Notification shall come into force as from 16 May 2015.

Notified this 9th day of April 2015.

(Vorapol Socratyanurak)
Secretary-General
Office of the Securities and Exchange Commission