

(UNOFFICIAL TRANSLATION)  
Codified up to No. 2  
As of 10 July 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. Sor Shor. 24/2555**  
**Re: Approval of Appraisal Company and Lead Appraiser**  
**Contributing [Asset Evaluation] for**  
**Capital Market Transaction**

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By which the information relating to asset appraisal regarding capital market transaction is significant and has impact on making investment decision of the public. In this regard, such appraisal requires a knowledgeable, capable and responsible person to perform. The Notifications of the Securities and Exchange Commission, the Notifications of the Capital Market Supervisory Board and the Notifications of the Office of the Securities and Exchange Commission concerning capital market transaction have stipulated the undertaking of the asset appraisal by an appraisal company whose name appears in the SEC Office's approved listed, therefore, for the purpose of such appraisal, the SEC office hereby issues the following regulations:

**Clause 1** This Notification shall come into force as from 16 December 2012.

**Clause 2** *The Notification of the Office of the Securities and Exchange Commission concerning Approval of Appraisal Company and Lead Appraiser for Widely Used Appraisal B.E. 2552 (2009) dated 28 July 2009 shall be repealed.*

**Clause 3** In this Notification:

“*asset*” means land, structure, machinery, equipment, long-term lease, patent or intellectual property being eligible to be assessed under professional principle.

“*appraisal company in capital market*” means a juristic person having normal business purpose to value any *asset* and wish to contribute appraisal services for *capital market transaction*.

“**lead appraiser**” means personnel of the appraisal company *in capital market* affixing the signature in the appraisal report for *capital market transaction*, as practicing appraiser.

“**capital market transaction**” means any proceedings according to the Notifications of the Securities and Exchange Commission, the Notifications of the Capital Market Supervisory Board or the Notifications of the Office of the Securities and Exchange Commission which have stipulated the preparation of the appraisal report to support such proceedings, including [i] the disclosure of information, [ii] the solicitation of a resolution of the shareholders or [iii] any other proceeding in order to perform in accordance with *law on capital market*, which have to be provided the asset appraisal for support.

“**law on capital market**” means the *Securities and Exchange Act B.E. 2535 (1992)*, the *Derivatives Act B.E. 2546 (2003)* and the *Trust for Transactions in Capital Market B.E. 2550 (2007)*.

“**Institute of Appraisal Profession**” means an association registered under Thai law having the purpose to regulate and supervise members for practicing profession as an appraiser to comply with rules, standards and ethics regarding appraisal profession, especially the widely used appraisal.

**Clause 4** In order to obtain an approval to be an *appraisal company in capital market* and a *lead appraiser*, any appraisal company having such wish shall submit an application to the SEC Office as prescribed in Chapter 1.

In case the *Institution of Appraisal Profession* has already been established as prescribed in Clause 17, the approval and the extension of the approval to be the *appraisal company in capital market* and the *lead appraiser* under first paragraph shall conform to the register requirements of the *Institution of Appraisal Profession* under Chapter 2.

The suspension, revocation and termination of the approval to be the *appraisal company in capital market* and the *lead appraiser* approved under Chapter 1 or Chapter 2 shall be subject to Chapter 4.

**Clause 5** In order to value the asset for *capital market transaction*, an *appraisal company in capital market* and a *lead appraiser* shall perform duties in accordance with standards and ethics regarding appraisal profession and with additional requirements regarding asset appraisal for widely used. In this regard, the appraisal report shall explicitly specify the objective of the asset appraisal that it is widely used, and shall be

affixed the signature by the following persons:

- (1) any director who is authorized to affix his signature on behalf of the *appraisal company in capital market*;
- (2) the *lead appraiser* approved under Chapter 1 or Chapter 2, who is an employee or a staff of the *appraisal company in capital market* and is not in suspending period of being *lead appraiser* ordered by the SEC Office or the *Institution of Appraisal Profession* as prescribed in Clause 17, as of affixing his signature.

## Chapter 1

### Applying for Approval and Granting Approval

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#### Division 1

#### Submission of an application

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**Clause 6** Any appraisal company, which wishes to submit an application for approval to be an *appraisal company in capital market* or submit such application in respect of its personnel to be a *lead appraiser*, shall submit the application, together with evidentiary documentation as specified on website of the SEC Office, to the SEC Office.

In case of submitting an application to be the *appraisal company in capital market* for the first time, such appraisal company shall submit an application in respect of its personnel to be *lead appraiser* at least 2 persons as well.

**Clause 7<sup>1</sup>** The appraisal company submitting the application as prescribed in Clause 6 shall pay application fees at the amount as stipulated in the *Notification of the Office of the Securities and Exchange Commission concerning Fees for Filing Registration Statement, Permission by Registration and All Applications for Obtaining Approval* to the SEC Office on the date when the complete and accurate application together with the evidentiary documentation have been submitted in accordance with the *Licensing Manual for the Public*.

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<sup>1</sup> Amended by the *Notification of the Office of the Securities and Exchange Commission No. Sor Shor. 45/2558 Re: Approval of Appraisal Company and Lead Appraiser Contributing [Asset Evaluation] for Capital Market Transaction (No.2)* dated 10 July 2015.

**Clause 8<sup>1</sup>** *Repealed.*

**Clause 9<sup>1</sup>** The SEC Office would notify the result of the deliberation of the application within ninety days as from the date when the SEC Office has received the complete and accurate application together with the evidentiary documentation in accordance with the *Licensing Manual for the Public*.

## **Division 2**

### **Rules and period of time according to granting approval for an appraisal company in capital market and a lead appraiser**

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**Clause 10** An applicant would obtain an approval [from the SEC Office] to be an *appraisal company in capital market* under this Chapter only if it complies with the following rules:

- (1) having paid-up capital of not less than 2 million Baht;
- (2) having clear, thorough and sufficient criteria and guidelines for asset appraisal, including operational system to ensure that it would be able to comply with standards and ethics regarding appraisal profession for widely used appraisal;
- (3) having experience in appraisal services in the Kingdom of Thailand continuously for not less than 1 year;
- (4) having a manager and a person holding executive position responsible for the working field relating to asset appraisal who have knowledge and working experience in asset appraisal;
- (5) having a total number of the appraisers not less than 5 persons. In this regard, at least 2 persons shall be *lead appraisers* obtaining approval from the SEC Office under Clause 11;

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<sup>1</sup> Repealed by the *Notification of the Office of the Securities and Exchange Commission No. Sor Shor. 45/2558 Re: Approval of Appraisal Company and Lead Appraiser Contributing [Asset Evaluation] for Capital Market Transaction (No.2)* dated 10 July 2015.

<sup>1</sup> Amended by the *Notification of the Office of the Securities and Exchange Commission No. Sor Shor. 45/2558 Re: Approval of Appraisal Company and Lead Appraiser Contributing [Asset Evaluation] for Capital Market Transaction (No.2)* dated 10 July 2015.

(6) not appearing that the applicant possesses prohibited characteristics under Chapter 3;

(7) not appearing that its directors, manager and person holding executive position as a division manager or an equal position responsible for the working field of asset appraisal, possess prohibited characteristics under Chapter 3;

(8) not being ordered by the SEC Office to suspend functioning as *appraisal company in capital market* or being under the period of time that the SEC Office could refuse to accept the application.

**Clause 11** A person would obtain an approval to be a *lead appraiser* under this Chapter only if it complies with the following rules:

(1) being full time casual worker or employee of the applicant;

(2) practicing on asset appraisal continuously for not less than 1 year prior to seeking the approval thereof and still practicing such action during submitting the application;

(3) having knowledge and working experience relating to asset appraisal in the Kingdom of Thailand for at least the following period of time:

(a) graduation with bachelor's degree or higher in the area relating to real estate business and having not less than 3 years of such experience;

(b) graduation with bachelor's degree or higher in other areas and having not less than 4 years of such experience;

(c) graduation with lower degree than bachelor's degree, but not lower than diploma, and having not less than 6 years of such experience;

(d) being the appraiser for not less than 7 years certified by the company or agency for which such person has previously worked.

(4) being able to demonstrate that such person is knowledgeable and capable person in valuing the asset for widely used appraisal. In this regard, such person must have signed appraisal report as the appraiser by using knowledge and capability equivalent to asset appraisal for widely used and by using all valuation methods stipulated in the standards of asset appraisal for at least 1 job within 2 years prior to the date when the appraisal company submits the application to the SEC Office;

(5) not appearing that he possesses prohibited characteristics under Chapter 3;

(6) not being ordered by the SEC Office to suspend functioning as *lead appraiser* or being under the period of time that the SEC Office could refuse to accept the application;

(7) having passed the test of competence or taken professional course prescribed by the SEC Office (if any).

**Clause 12** In case the SEC Office has not granted an approval to be an *appraisal company in capital market* or a *lead appraiser*, as the case may be, due to the fact that the appraisal company or the person holding the position as prescribed in Clause 10(7) or any personnel submitting an application to be the *lead appraiser* has possessed prohibited characteristics under Chapter 3, the SEC Office may stipulate a period of time or condition to accept the application of the appraisal company or personnel to be the *lead appraiser*, as the case may be, in the next time, however, such period of time shall not exceed 10 years as from date when the SEC Office has not granted the approval.

**Clause 13** Granting approval for an *appraisal company in capital market* or a *lead appraiser* under this Chapter shall not have a duration for more than 2 years at each time as stipulated by the SEC Office in the approval letter.

**Clause 14** In case an *appraisal company in capital market* or a *lead appraiser* obtaining an approval under this chapter wishes to renew the approval in order to engage as the *appraisal company in capital market* or the *lead appraiser* continuously, such renewal shall conform to the following requirements:

(1) a renewal application shall be submitted to the SEC Office by the *appraisal company in capital market* for itself and for its personnel being *lead appraiser*.

(2) in case the *appraisal company in capital market* has submitted a renewal application at least 60 days prior to the expiration of the approval period and the SEC Office did not notify the result of the deliberation of the application within expired date of the approval period, the *appraisal company in capital market* or the *lead appraiser* shall continue to engage in appraisal activities until the SEC Office notify the result of the deliberation otherwise.

(3) the *appraisal company in capital market* or the *lead appraiser* may obtain a renewal approval by complying with the following requirements:

(a) in case of renewal of the *appraisal company in capital market*, it shall comply with the requirements as prescribed in Clause 10;

(b) in case of renewal of the *lead appraiser*, it shall comply with the requirements as prescribed in Clause 11(1), (2), (5), (6) and (7) *mutatis mutandis*, and such person has signed in the appraisal report for *capital market transactions* for at least

1 job within 2 years prior to the date when the renewal application has been submitted to the SEC Office.

**Clause 15** An *appraisal company in capital market* shall notify the following changes to the SEC Office within 7 days as from the last day of the month when the changes have occurred:

(1) the change of a *lead appraiser* whether the *lead appraiser* has resigned or there is a new *lead appraiser*;

(2) the change of the *appraisal company in capital market's* location or telephone number.

**Clause 16** In case any *appraisal company in capital market* obtaining an approval under this Chapter fails to maintain its characteristics in compliance with the requirements relating to the amount of appraisers as prescribed in the Clause 10(5), such appraisal company shall rectify the amount thereof within 1 year as from the date when it has failed to maintain such amount.

## Chapter 2

### Registration with the Institute of Appraisal Profession

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**Clause 17** It shall be deemed that an appraisal company and natural person, who have been registered to be an appraiser for widely used appraisal by the *Institute of Appraisal Profession*, are an *appraisal company in capital market* and a *lead appraiser* obtaining an approval from the SEC Office.

The *Institute of Appraisal Profession* under the first paragraph shall be recognized by the SEC Office as an appropriate organization for supervising and promoting appraisal profession as prescribed in Clause 18.

**Clause 18** An *Institute of Appraisal Profession* wishing to be recognized as an organization for supervising and promoting the appraisal profession for widely used appraisal, shall notify the SEC Office. In this regard, the SEC Office shall deliberate the appropriateness under the following rules:

(1) having explicit policy and objective in respect of member supervision and promotion of the appraisal profession for widely used appraisal to ensure creditability and international standard;

(2) having not less than half of all directors and person authorized by the board of directors as the highest responsible person to be Thai nationality;

(3) having compliance committee in order to consider facts in respect of violation of standards and ethics regarding appraisal profession. In this regard, at least half of all directors shall be independent from appraisal professionals and such directors shall comprise of:

- (a) an expert in the field of the asset appraisal;
- (b) a user of the appraisal report;
- (c) a legal expert;
- (d) a financial expert;

(4) not appearing that the following persons have possessed prohibited characteristics under Chapter 3:

(a) a director and a person who is authorized from the board of director to be the highest responsible person for administering *Institute of Appraisal Profession*;

(b) a person holding a position on the managing level to be responsible for member supervision or promotion of appraisal profession;

(5) in case of the appointment of a working group to perform duties relating to member supervision or promotion of appraisal profession, the *Institute of Appraisal Profession* shall provide mechanism to examine persons who are members of such working group to possess appropriate qualification for performing duties in order to make the *Institute of Appraisal Profession* reliable;

(6) having sufficient personnel who are independent from the appraisal professionals and capable to work full-time for the *Institute of Appraisal Profession* efficiently;

(7) having explicitly, thoroughly and sufficiently operational system in order to ensure that the *Institute of Appraisal Profession* would be able to supervise and control its members who are appraisal companies and natural persons who are appraisers for widely used appraisal to perform their duties in accordance with standards and ethics regarding appraisal profession. In this regard, such system shall at least comprise of the following matters:



(a) admitting member and maintaining a membership, as well as clear an fair registration of the appraisal company and natural person to be the appraiser for widely used appraisal by having at least the criteria regarding registration and prohibited characteristics of the appraisal company and natural person thereof in similar to or equivalent to the requirements for granting approval under Chapter 1 and prohibited characteristics under Chapter 3;

(b) stipulating or adopting standards and ethics regarding appraisal profession which are reliable and having mechanism to improve such standards and ethics in comparison with international standard continuously;

(c) supervising and monitoring members and their personnel to comply with standards and ethics regarding appraisal profession;

(d) receiving and managing complaints appropriately;

(e) taking action against members who violate or fail to comply with standards and ethics regarding appraisal profession;

(f) organizing training courses regarding asset appraisal for members continuously;

(8) having system for keeping documents and evidence relating to operational system under sub clause (7). In this regard, such system shall make those documents and evidence kept in correct, complete and verifiable manner;

(9) having criteria and other measures in order to proceed as follows:

(a) notifying order and delivering evidentiary documentary relating to disciplinary punishment for members' demeanor to the SEC Office without delay;

(b) disclosing information relating to [i] violations or offences in connection with asset appraisal or failing to comply with standards and ethics regarding appraisal profession, and [ii] member punishment, including [iii] any other information received as a result of being *Institute of Appraisal Profession*;

(c) exchanging information with the SEC Office regarding [i] its members, [ii] asset appraisal activities of its members, [iii] violations or failure to comply with standards and ethics regarding appraisal profession and [iv] member punishment;

(10) having mechanism and measure to punish member fairly, i.e. [i] having process and procedure clearly, [ii] making an opportunity for considered person to elucidate facts, [iii] punishing appropriately which is proportionate to severity of demeanor of considered person, and [iv] proceeding punishment within the appropriate period;

(11) providing a website of the *Institute of Appraisal Profession* in order to release up-to-date news and information regarding at least for the following matters:

- (a) membership name list of appraisal companies and natural persons who are appraiser of such appraisal companies, as well as registration period of their membership;
- (b) standards and ethics regarding appraisal profession;
- (c) penalizing members who violated or failed to comply with standards and ethics regarding appraisal profession;
- (d) channel for receiving complaints.

**Clause 19** In the following cases, an *Institute of Appraisal Profession* as prescribed in Clause 17 shall notify the SEC Office within specified period:

(1) in case of amending operational system or criteria as prescribed in Clause 18, the *Institute of Appraisal Profession* shall notify the SEC Office for at least 14 days prior to the date when such operational system or criteria becomes effective;

(2) when the *Institute of Appraisal Profession* is unable to maintain characteristics as prescribed in Clause 18, it shall notify the SEC Office within appropriate period;

(3) when the *Institute of Appraisal Profession* issues the following orders, it shall notify such order and submit related documents to the SEC Office without delay:

(a) disciplinary order against an appraisal company or a natural person who is an appraiser for widely used appraisal, as its member, owing to the violation or failure to comply with standards or ethics of appraisal profession;

(b) suspension or revocation order of registration, or order of extinguishing from membership of asset appraisal for widely used.

**Clause 20** In case of necessary circumstances for the purpose of supervising an *appraisal company in capital market* and a *lead appraiser*, the SEC Office may notify an *Institute of Appraisal Profession* as prescribed in Clause 17 to submit additional evidentiary documentation to the SEC Office.

**Clause 21** In case there is any certain fact appeared [to the SEC Office] that any of the *Institute of Appraisal Profession* as prescribed in Clause 17 is unable to maintain characteristics in compliance with Clause 18, the SEC Office may specify a period for such *Institute of Appraisal Profession* to rectify in order to have characteristics in compliance with stipulated rules. In this regard, the SEC Office may require the *Institute of Appraisal*

**Profession** to amend any action, act or omit from any action as deemed appropriate within stipulated period during such rectification.

In case the **Institute of Appraisal Profession** is unable to rectify characteristic, fail or omit to act as stipulated in the first paragraph or fail to submit additional documents as prescribed in Clause 20, it shall be deemed that such **Institute of Appraisal Profession** no longer wishes to supervise or promote the appraisal profession for widely used appraisal, and the SEC Office would cancel the recognition of the **Institute of Appraisal Profession** under the second paragraph of Clause 17.

The **appraisal company in capital market** and the **lead appraiser** deemed to receive approval from the SEC Office as a result of registration with the **Institute of Appraisal Profession** which the SEC Office has cancelled later on the recognition under the second paragraph, still remain eligible to engage in appraisal activities in capital market until the ending period for its registration with such **Institute of Appraisal Profession**, unless the granting approval is terminated as prescribed in Clause 30 or the SEC Office has ordered suspension of approval throughout the remaining approval period or revoked approval for becoming the **appraisal company in capital market** or the **lead appraiser**, as the case may be.

**Clause 22** In case any of the **Institute of Appraisal Profession** under the second paragraph of Clause 17 no longer wishes to supervise or promote the appraisal profession for widely used appraisal, such **Institute of Appraisal Profession** shall notify its intention to the SEC Office without delay. In this regard, the **appraisal company in capital market** and the **lead appraiser** deemed to receive approval from the SEC Office as a result of registration with such **Institute of Appraisal Profession** shall remain eligible to engage in appraisal activities in capital market until the ending period for its registration with such **Institute of Appraisal Profession**, unless the granting approval is terminated as prescribed in Clause 30 or the SEC Office has ordered suspension of approval throughout the remaining approval period or revoked approval for becoming the **appraisal company in capital market** or the **lead appraiser**, as the case may be.

### Chapter 3

#### Prohibited Characteristics

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**Clause 23** Provisions relating to prohibited characteristics under this Notification are the following cases:

(1) prohibited characteristic of Group 1 which is the case of deficiently legal competence, being under legal proceeding regarding capital market supervision or lacking of appropriateness in respect of trustworthiness as prescribed in Clause 24;

(2) prohibited characteristic of Group 2 which is the case of being taken action against or being punished in the past according to the management in the manner of deception, defraud or dishonest to properties as prescribed in Clause 25;

(3) prohibited characteristic of Group 3 which is the case of having inappropriate behaviors in regard to serving customers, investors or capital market as a whole in significant matters which may affect the creditability of asset appraisal in *capital market transaction* as prescribed in Clause 26.

**Clause 24** Any of the following cases is prohibited characteristic of Group 1:

(1) being under receivership by the court order or being a bankrupt;

(2) being an incompetent or quasi-incompetent person;

(3) being accused by the SEC Office or being prosecuted as a result of such accusation regarding the following matters which relate to *law on capital market*:

(a) engaging in any unfair trading of securities and derivatives;

(b) undertaking dishonestly or causing damage to properties, creditors or the public;

(c) intentionally making false statement or concealing material facts which should have been stated in any documents which shall be disclosed to the public or submitted to the Securities and Exchange Commission, the Capital Market Supervisory Board or the SEC Office;

(4) having been sentenced in the following manners as a result of being accused by the SEC Office, except when it has elapsed at least 3 years after having been punished until the date of submitting application to the SEC Office:

(a) having been finally sentenced for misconduct as specified in sub clause (3) in case of juristic person;

(b) having been finally sentenced to imprisonment as a result of misconduct as specified in sub clause (3), regardless of whether suspension of the inflicting punishment or not, in case of a natural person.

**Clause 25** Any of the following cases is prohibited characteristic of Group 2:

(1) being accused by the regulator of financial institution, regardless of local or foreign jurisdiction, or being prosecuted as a result of such accusation. In this regard, such accusation or prosecution shall be on the ground resulting from management in manner of deceit, fraud, or dishonesty relating to offences against property, and mal-management thereof which caused damage to the financial institution or its customers;

(2) having been sentenced in the following manners due to the accusation of the regulator of financial institution on the ground as specified in sub clause (1), except when it has elapsed at least 3 years after having been punished or suspended the inflicting punishment until the date of submitting application to the SEC Office:

(a) having been sentenced by final judgment of the court on the ground of the management in the manner of deceit, fraud, or dishonesty relating to offences against properties, and mal-management thereof which caused damage either to the financial institution or its customers, in case of the juristic person;

(b) having been sentenced by final judgment of the court on the ground as specified in sub clause (a) which caused damage to either the financial institution or its customers, whether the infliction of punishment has been suspended, in case of the natural person;

(3) having been sentenced in the following manners, except when it has elapsed at least 3 years after having been punished or suspended the inflicting punishment until the date of submitting application to the SEC Office:

(a) having been finally sentenced for breaching public offence resulting from the management in the manner of deceit, fraud, or dishonesty relating to offences against properties, in case of a juristic person;

(b) having been finally sentenced for breaching public offence resulting from sub clause (a), regardless of whether the infliction of punishment has been suspended, in case of a natural person;

(4) being a person whose properties have been forfeited by the court's judgment to vest in the state under the *Law on the Counter Corruption*<sup>2</sup>, the *Law on Anti-money Laundering*<sup>3</sup> or other laws in a similar manner as aforementioned and having been elapsed for 3 years as from the date when the court has sentenced thereof;

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<sup>2</sup> *Law on Counter Corruption* means the *Organic Act on Counter Corruption B.E. 2542 (1999)*

<sup>3</sup> *Law on Anti-money Laundering* means the *Anti-Money Laundering Act B.E. 2542 (1999)*

(5) having been considered by the regulator of financial institution or other authorized regulators, regardless of local or foreign jurisdiction, that it has possessed prohibited characteristics of being a director or an executive of financial institution. In this regard, such prohibited characteristics are only on the ground resulting from management in the manner of deceit, fraud, or dishonesty relating to offences against properties.

**Clause 26** In case there is sufficient fact appeared to the SEC Office that the following demeanors are committed, it shall be deemed that such demeanors are prohibited characteristics in Group 3:

(1) there is or was [i] a misconduct against duty or service of the asset appraisal with reference to loyalty, [ii] lack of responsibility or prudence as a professional or [iii] failure to comply with standards or ethics of appraisal profession or [iv] a collusion or supporting such demeanors of other persons. In this regard, the aforementioned actions are only on the ground resulting from asset appraisal in *capital market transaction*;

(2) there is or was [i] an unfair act or exploitation of investors in trading securities and derivatives or [ii] a collusion with others to do so or supporting such demeanors of other persons;

(3) there is or was [I] a demeanor of [i] disclosing or distributing information or document which is false and may be misleading or [ii] concealing material fact which should be informed clearly and may have an impact on decision making of investors or relevant person, regardless of whether it is information or document submitted to the Securities and Exchange Commission, the Capital Market Supervisory Board, the SEC Office, the Stock Exchange of Thailand or investor, or [II] a collusion with others to do so or supporting such demeanors of other persons;

(4) there is or was [i] a misconduct against other asset appraisal, which the regulator has considered that such asset appraisal has failed to comply with standards or ethics of such appraisal and such misconduct may cause an impact on credibility of asset appraisal in *capital market transaction* materially.

**Clause 27** In case there is a certain fact appeared to the SEC Office that any person possessed prohibited characteristics of Group 3 more than 10 years or such fact is not severe to the level of untrustworthy or credibility for being an *appraisal company in capital market* or engaging the work as a *lead appraiser*, as the case may be, the SEC Office

may not consider such fact as a ground for considering prohibited characteristic of the *appraisal company in capital market* or the *lead appraiser*.

**Clause 28** In deliberating the severity of demeanors as prescribed in Clause 27, the SEC Office will deliberate fact relating to conduct or action of an *appraisal company in capital market* or a *lead appraiser* which has occurred in each case. In this regard, the factors, which will also be deliberated by the SEC Office, shall include:

(1) relevant roles and significant demeanors of persons being considered, for instance, relevant amount of money, relevant quantity of transaction, beneficiary as a result of conduct, being principal, instigator or supporter, intentional level or wanton negligence, etc.;

(2) other sanction which such person has already served [for such demeanor];

(3) impact on or damage to *capital market transaction* or the public as a whole;

(4) rectification, or other acts which are useful for amendment, remedy or prevention against repetition of such similar facts or demeanors;

(5) other demeanors of the person under deliberation which is benefit or impede the proceeding of the SEC Office, for instance, providing fact or evidence which is beneficial to the consideration or undertaking of the SEC Office, concealing or destroying relevant evidence or providing falsified information to the SEC Office, etc.;

(6) complexity of nature of action or tools used in action, for instance, using other people name or establishment of disguised company, etc.;

(7) record of demeanors within the last 10 years before the SEC Office has considered possessing prohibited characteristics in each case, for instance, whether or not it is the first demeanor, repeated or continuous demeanors, etc.

**Clause 29** In order to ensure that the exercising discretion of the SEC Office is transparency and due process, prior to notifying suspension or revocation order of approval of an *appraisal company in capital market* or a *lead appraiser* as a result of possessing prohibited characteristics in Group 3, the SEC Office shall:

(1) give a chance to the person under consideration to elucidate the facts;

(2) in case of the facts relating to standards or ethics of appraisal profession for widely used appraisal, the SEC Office may deliver facts, accusation and contestation including elucidation (if any) of the person under consideration to the committee for

considering facts and evidence and proposing opinions on such matter back to the SEC Office.

#### **Chapter 4**

#### **Termination of Approval and Other Provisions**

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**Clause 30** The approval of an *appraisal company in capital market* and a *lead appraiser* shall be terminated upon occurrence of any of the following circumstances:

(1) when such approved person has notified the SEC Office or the *Institute of Appraisal Profession* as prescribed in Clause 17 in writing regarding intention to terminate the operation, as the case may be;

(2) when such approved person under Chapter 1 or Chapter 2 has possessed the prohibited characteristics of Group 1 or Group 2 as prescribed in Clause 25(2), (3), (4) or (5) or has been notified in writing from the SEC Office that any of them has possessed prohibited characteristics of Group 2 as prescribed in Clause 25(1);

(3) when the *Institute of Appraisal Profession* as prescribed in Clause 17 has revoked registration or has removed of membership of such approved person, as the case may be;

(4) when the approval period is expired.

**Clause 31** The SEC Office may order suspension or revocation of approval of an *appraisal company in capital market* or a *lead appraiser* as deemed appropriate, when there are circumstances as follows:

(1) the *appraisal company in capital market* fails to maintain characteristics in compliance with requirements as prescribed in Clause 10(1), (2), (4) or (7) or fails to rectify itself to maintain characteristics as prescribed in Clause 10(5) within specified period in Clause 16;

(2) the *lead appraiser* fails to maintain characteristics in compliance with requirements as prescribed in Clause 11(7);

(3) the *appraisal company in capital market* or the *lead appraiser* possesses prohibited characteristics of Group 3.

In case the occurrence under sub clause (1) or (2) of the first paragraph has been arisen, the SEC Office may order the *appraisal company in capital market* or *lead*



*appraiser* to proceed the rectification in order to possess characteristics in compliance with requirements under specified period and order either to act or omit to act prior to ordering suspension or revocation of approval.

**Clause 32** In case the SEC Office has suspended the approval period which causes an *appraisal company in capital market* or a *lead appraiser* unable to operate throughout the remaining such period or the SEC Office has revoked the approval, the SEC Office may specify a period or condition regarding next application for approval. In this regard, such period shall not exceed 10 years as from the date when the SEC Office has suspended or revoked the approval.

**Clause 33** In case any *appraisal company in capital market* or *lead appraiser*, which is a member of the *Institute of Appraisal Profession* as prescribed in Clause 17, violates or fails to comply with standards or ethics regarding appraisal profession for widely used appraisal, and the *Institute of Appraisal Profession* has proceeded with disciplinary action against the member thereof, the SEC Office may not undertake more action against such person, if the person has undergone appropriate punishment.

**Clause 34** The suspension or revocation of an approval to be an *appraisal company in capital market* or a *lead appraiser* is unaffected on appraisal report, which has already been prepared or signed in if such report has complied with any of the following conditions:

(1) in case of submitting appraisal report to the SEC Office for entering into *capital market transaction*, such report shall be submitted to the SEC Office prior to the date when the SEC Office has taken the action thereof, unless:

(a) there is a reasonable ground to suspect that such report has not complied with appraisal standard or is the cause or part of the cause which lead to the suspension or revocation of the approval; and

(b) the SEC Office has not yet permitted to enter into *capital market transaction* by using such appraisal report;

(2) other than sub clause (1), the appraisal report has been used in engaging in *capital market transaction* prior to the date when the SEC Office has suspended or revoked the approval.

## Chapter 5

### Transitional Provisions

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**Clause 35** An appraisal company and a *lead appraiser* obtained an approval from the SEC Office under *Notification of the Office of the Security and Exchange Commission concerning Approval of Appraisal Company and Lead Appraiser for Wildly Used Appraisal B.E. 2552 (2009) dated on 28 July, 2009* before this Notification comes into force, are deemed to be an ***appraisal company in capital market*** and a ***lead appraiser*** obtaining the approval from the SEC Office under this Notification as long as the previous approval period is remaining or until 31 March 2013, whichever comes later.

The provision under the first paragraph shall not be applicable to the appraisal company and the ***lead appraiser*** that the association under the *Notification of the Office of the Securities and Exchange Commission concerning Approval of Appraisal Company and Lead Appraiser for Widely Used Appraisal B.E. 2552 (2009) dated on 28 July, 2009* has considered that they have had misconduct of duty, standards or ethics regarding appraisal profession in the last 3 years prior to the effective date of this Notification.

In case the appraisal company or the ***lead appraiser*** under the second paragraph has submitted an application to be an ***appraisal company in capital market*** or a ***lead appraiser*** to the SEC Office under rules in Division 1 (“Submission of an application”) of Chapter 1 (“Applying for Approval and Granting Approval”) within 30 days as from the effective date of this Notification, the appraisal company or the ***lead appraiser*** may continue to perform their duties until the SEC Office has sent the written letter notifying the result of consideration. In this regard, rules for granting the approval as prescribed in Clause 10 and Clause 11 and for stipulating period of time and conditions for next applying for approval as prescribed in Clause 12 shall be applicable to deliberating the application of such persons.

Provisions relating to prohibited characteristics under Chapter 3 including causes of suspension, revocation or termination of approval as well as power of the SEC Office’s command under Chapter 4 shall be applicable to the ***appraisal company in capital market*** and the ***lead appraiser*** under the first paragraph.

**Clause 36** All orders, circular letters and guidelines issued or come into force by virtue of the *Notification of the Office of the Securities and Exchange Commission concerning Approval of Appraisal Company and Lead Appraiser for Widely Used Appraisal*

*B.E. 2552 (2009) dated on 28 July, 2009* which are applicable before this Notification comes into force, shall remain in full force to the extent that they are neither inconsistent with nor contrary to the provisions of this Notification, until orders, circular letters and guidelines issued in virtue of this Notification come into force.

**Clause 37** Any reference made in any other Notifications to the *Notification of the Office of the Securities and Exchange Commission concerning Approval of Appraisal Company and Lead Appraiser for Widely Used Appraisal B.E. 2552 (2009) dated on 28 July, 2009*, shall mean reference to this Notification.

Notified this 6<sup>th</sup> day of November 2012.

-signature-

(Mr. Vorapol Socratyanurak)

Secretary-General

Office of the Securities and Exchange Commission

Note: The contents in brackets [...] are provided in the English version for clearer understanding only.