

**UNOFFICIAL TRANSLATION**

Codified up to No. 3

As of 6 March 2017

*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 Capital Market Supervisory Board**

**No. Tor Thor. 27/2559**

**Re: Rules, Conditions, and Procedures for Securities Underwriting**

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By virtue of Section 16/6 and Section 113 of the *Securities and Exchange Act B.E. 2535 (1992)*, as amended by the *Securities and Exchange Act (No. 4) B.E. 2551 (2008)*, and Section 114, Section 115, and Section 116 of the *Securities and Exchange Act B.E. 2535 (1992)*, the Capital Market Supervisory Board hereby issues the following regulations:

**Clause 1** This Notification shall come into force as from 1 August 2016.

**Clause 2** The following Notifications shall be repealed:

(1) *Notification of the Capital Market Supervisory Board No. Tor Thor. 70/2552 Re: Rules, Conditions, and Procedures for Securities Underwriting*, dated 3 August 2009;

(2) *Notification of the Capital Market Supervisory Board No. Tor Thor. 3/2554 Re: Rules, Conditions, and Procedures for Securities Underwriting (No. 2)*, dated 10 January 2011;

(3) *Notification of the Capital Market Supervisory Board No. Tor Thor. 11/2554 Re: Rules, Conditions, and Procedures for Securities Underwriting (No. 3)*, dated 13 May 2011;

(4) *Notification of the Capital Market Supervisory Board No. Tor Thor. 24/2554 Re: Rules, Conditions, and Procedures for Securities Underwriting (No. 4)*, dated 25 August 2011;

(5) *Notification of the Capital Market Supervisory Board No. Tor Thor. 40/2554 Re: Rules, Conditions, and Procedures for Securities Underwriting (No. 5)*, dated 29 December 2011;

(6) *Notification of the Capital Market Supervisory Board No. Tor Thor. 22/2555 Re: Rules, Conditions, and Procedures for Securities Underwriting (No. 6)*, dated 28 March 2012;

(7) *Notification of the Capital Market Supervisory Board No. Tor Thor. 50/2555 Re: Rules, Conditions, and Procedures for Securities Underwriting (No. 7)*, dated 21 November 2012;

(8) *Notification of the Capital Market Supervisory Board No. Tor Thor. 55/2556 Re: Rules, Conditions, and Procedures for Securities Underwriting (No. 8)*, dated 26 December 2013;

(9) *Notification of the Capital Market Supervisory Board No. Tor Thor. 27/2557 Re: Rules, Conditions, and Procedures for Securities Underwriting (No. 9)*, dated 20 August 2014.

## **Chapter 1**

### **General Provisions**

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#### **Part 1**

#### **Substantial Matters of the Regulations**

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**Clause 3** In the underwriting of *securities*, in addition to the rules set out in the *Notification of the Capital Market Supervisory Board regarding Standard Conduct of Business, Management Arrangement, Operating Systems, and Providing Services to Clients of Securities Companies and Derivatives Intermediaries*, ***securities underwriters*** shall also comply with the rules set out herein.

In cases where the rules on the underwriting of *securities* specifically set out in this Notification are different from those set out in the *Notification of the Capital Market Supervisory Board regarding Standard Conduct of Business, Management Arrangement, Operating Systems, and Providing Services to Clients of Securities Companies and Derivatives Intermediaries*, the rules under this Notification shall prevail.

**Clause 4** This Notification establishes regulations about the underwriting of *securities* as follows:

- (1) Cases in which a person is prohibited from being engaged as a *securities underwriter* are described in Chapter 2;
- (2) Provision of services as a *securities underwriter* shall be in accordance with the rules under Chapter 3;
- (3) Allotment of *securities* shall be in accordance with the rules under Chapter 4;
- (4) Trading of shares and *trust units* while providing services as a *securities underwriter* shall be in accordance with the rules under Chapter 5;
- (5) Regulations for *related securities companies* are set out in Chapter 6; and
- (6) Reports on *securities* allotment shall be in accordance with the rules under Chapter 7.

**Clause 5** The SEC Office may set guidelines in detail on the practice that is appropriate and corresponds with this Notification. Compliance with such guidelines shall be deemed to be compliance with the regulations under this Notification.

## **Part 2**

### **Definitions**

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**Clause 6** In this Notification:

The terms, “*company*,” “*listed company*,” “*parent company*,” “*subsidiary*,” “*major shareholder*,” “*controlling person*,” and “*institutional investor*” shall have the same meanings, *mutatis mutandis*, as defined in the *Notification of the Securities and Exchange Commission regarding Determination of Definitions in Notifications relating to Issuance and Offer for Sale of Securities*;

“*securities underwriter*” means any securities company licensed to undertake securities business in the category of securities underwriting;

**“securities”**<sup>1</sup> means shares, **bonds**, debentures, bills, Sukuk, share warrants, derivatives warrants, **trust units**, and depository receipts;

**“bond”** means any bond according to the *Notification of the Capital Market Supervisory Board regarding Offer for Sale of Debt Instruments by the Thai Government Sector*;

**“trust unit”** means:

(1) a unit of a real estate investment trust (REIT) according to the *Notification of the Capital Market Supervisory Board regarding Issuance and Offer for Sale regarding Units of Real Estate Investment Trust*;

(2) a unit of an infrastructure investment trust (InvIT) according to the *Notification of the Capital Market Supervisory Board regarding Issuance and Offer for Sale of Units of Infrastructure Trust*;

**“prospectus”** means any prospectus having the same content as the draft prospectus that is filed with the SEC Office;

**“Stock Exchange”** means the Stock Exchange of Thailand;

**“related person”** means any person whose relationship with a director, **executive**, **major shareholder**, or **controlling person** of a **securities underwriter** is in any of the following manners:

(1) the spouse or a minor child of any such person;

(2) a natural person or a company that holds a majority of any such person’s shares, which means:

(a) any natural person or company that holds a number of shares that represents more than fifty percent of the voting rights incurred from the total sold voting shares of said person;

(b) any natural person or company that holds a number of shares that represents more than fifty percent of the voting rights incurred from the total sold voting shares of any company under subclause (a);

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<sup>1</sup> Amended by the *Notification of the Capital Market Supervisory Board No. Tor Thor. 32/2560 Re: Rules, Conditions, and Procedures for Securities Underwriting (No. 3)* dated 6 March 2017 (effective on 1 June 2017).

(c) any company that holds shares in any level in the sequence of ownership, starting from any company under subclause (b), provided that the number of shares held by the company in each level represents more than fifty percent of the voting rights incurred from the total sold voting shares of the company whose shares are held, or any individual who holds a number of shares that represents more than fifty percent of the voting rights incurred from the total sold voting shares of the company in any level in the sequence of ownership whose shares are held;

The number of shares indicated in paragraph one, subclause (2) that is held by an individual shall also include the number of shares held by the spouse and all minor children of said individual;

(3) any company of which a majority of its shares is held by any such person, which means:

(a) any company of which a number of shares that represents more than fifty percent of the voting rights incurred from the total sold voting shares is held by said person or any person under subclause (1);

(b) any company of which a number of shares that represents more than fifty percent of the voting rights incurred from the total sold voting shares is held by any company under subclause (a);

(c) any company of which shares are held in any level in the sequence of ownership, starting from any company under subclause (b), provided that the number of shares held by the company in each level represents more than fifty percent of the voting rights incurred from the total sold voting shares of the company whose shares are held;

**“executive”** means the *manager* or an employee who holds the position of department director or higher and is responsible for the line of work that takes part in making decisions on *securities* allotment or the line of work that has an opportunity to obtain inside information relating to offer for sale of *securities* or any issuer of underlying shares of underwritten *securities*, including any person of any position whose authority and responsibility is similar to such person;

**“manager”** means the person authorized by the board of directors to be the person with highest responsibility in the management of a company;

**“offering closing date”** means the day on which offer for sale of *securities* by a *securities underwriter* is closed in a general case;

**“the day on which an over-allotment of shares is provided in full”** means the day on which the **provider of an over-allotment of shares** is able to fully provide to any **securities underwriter** obliged to provide an **over-allotment of shares** in cases where shares are allocated to subscribers in a number greater than the number of underwritten shares with an **over-allotment of shares** required to be delivered or returned;

**“provider of an over-allotment of shares”** means any **securities underwriter** obliged to provide an **over-allotment of shares** for delivering to allocated persons or returning to the lenders, according to the obligation of **over-allotment of shares**;

**“over-allotment of shares”** means allotment of more shares to subscribers than the number of underwritten shares concurrently with the offering for sale of underwritten shares;

**“related securities company”** means:

(1) any securities company that holds a number of shares of a **securities underwriter** that represents at least twenty percent of voting rights incurred from the total sold voting shares of the **securities underwriter**;

(2) any securities company of which a number of shares that represents at least twenty percent of the voting rights incurred from the total sold voting shares is held by a **securities underwriter**;

(3) any securities company of which a shareholder holds a number of shares that represents at least twenty percent of the voting rights incurred from the total sold voting shares of such securities company and a **securities underwriter**;

**“market maker”** means a person appointed by a **mutual fund management company** to perform the duty of ensuring that the trading price of investment units of an **ETF fund** in an organized market closely reflects the value of such investment units that is calculated from the net asset value of the fund, by trading investment units of the **ETF fund** and **securities** which are components of the underlying index of said **ETF fund**;

**“ETF fund”** means an ETF fund according to the *Notification of the Capital Market Supervisory Board regarding Investment of Funds*;

**“mutual fund management company”** means a securities company licensed to undertake securities business in the category of mutual fund management;

**“private fund management company”** means a securities company licensed to undertake securities business in the category of private fund management.

**Chapter 2**  
**Cases in which a Person Is Prohibited from Being Engaged**  
**as a Securities Underwriter**

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**Clause 7** Any *securities underwriter* who has any of the nature or relationships described in Clause 8 or Clause 10, as the case may be, shall be prohibited from being engaged to underwrite the following securities:

- (1) shares; and
- (2) *trust units*.

**Clause 8** A *securities underwriter* shall be prohibited from underwriting shares under Clause 7(1) if it has any of the following nature or relationships:

- (1) The *securities underwriter* holds shares of a share offeror that is a *listed company*, and the total number of shares held exceeds the following percentages:
  - (a) five percent of the total voting shares of the share offeror in cases where the *securities underwriter* takes part in the determination of the share offering price;
  - (b) twenty percent of the total voting shares of the offeror in cases where the *securities underwriter* does not take part in the determination of the share offering price;
- (2) The *securities underwriter* holds shares of a share offeror that is not a *listed company*, except in the following cases:
  - (a) All the shares held by the *securities underwriter* have been held by the *securities underwriter* for more than two years prior to the filing of an application for offer for sale of newly-issued shares or the filing of the registration statement and a draft prospectus to the SEC Office, provided that the total number of shares held by the *securities underwriter* does not exceed the percentages specified in subclause (1);

(b) All the shares held by the *securities underwriter* have been held for no more than two years prior to the filing of an application for offer for sale of newly-issued shares or the filing of the registration statement and a draft prospectus to the SEC Office, provided that such shares are additionally obtained because the share offeror increases its capital and then offers a rights issue to its shareholders and that the total number of shares held by the *securities underwriter* does not exceed the percentages specified in subclause (1);

(3) The share offeror or each *major shareholder* or director of the share offeror holds more than five percent of the total voting shares of the *securities underwriter*, or the total number of shares held by these persons exceeds ten percent of the total voting shares of the *securities underwriter*;

(4) A director, the *manager*, or any person who holds the position of department director or higher and is responsible for *securities* underwriting is also a person or a person in the same group as director of the share offeror, but excluding independent directors or members of an audit committee of the *securities underwriter* and of the share offeror; and

(5) The *securities underwriter* is related to or has an interest in the share offeror in a manner that may cause the *securities underwriter* to be unable to act as a *securities underwriter* independently.

**Clause 9** For the purpose of considering the nature or relationship of a *securities underwriter* under Clause 8:

(1) a *securities underwriter* under Clause 8(1), (2), and (5) shall include its *major shareholders*, authorized signatory directors, *managers*, or any persons who hold the position of department director or higher and are responsible for *securities* underwriting, and the total number of shares held according to Clause 8(1) or (2) shall include the number of shares held by the *securities underwriter* and these persons;

(2) the share offeror under Clause 8(5) shall include its *major shareholders* or directors;



(3) the number of shares held according to Clause 8(1), (2), or (3) shall also include the total number of shares held by *related persons* of the persons under Clause 8(1), (2), or (3), as well as the number of shares arising from an exercise of rights under convertible bonds, share warrants, derivatives warrants, transferable subscription rights, underlying shares of structured notes, and underlying shares of non-voting depository receipts; and

(4) the fact that a government agency, state-owned enterprise that is established under specific law and is not a *listed company*, the Financial Institutions Development Fund, the Crown Property Bureau, the Office of His Majesty the King's Private Property, or any person for which the SEC Office grants an exemption holds shares, assigns a representative to be a director, or has an interest shall not be taken into consideration of the nature or relationship of a *securities underwriter* under Clause 8.

**Clause 10** Clause 8 and Clause 9 shall apply *mutatis mutandis* to prohibition of underwriting of *trust units* by a *securities underwriter* under Clause 7(2), and the term “distributor of assets to a trust” shall replace the term “share offeror” in said Clause 8 and Clause 9.

For the purpose of paragraph one, the term “distributor of assets to a trust” means any person who will distribute, transfer, rent out, or otherwise give the right to real estate to the REIT, or any person who will distribute, transfer, rent out, or provide an InvIT with the rights to the property of an infrastructure business, as the case may be.

### Chapter 3

#### Rules on Provision of Services as a Securities Underwriter

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##### Part 1

##### General Provisions

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**Clause 11** A *securities underwriter* shall:

(1) distribute *securities* in compliance with the requirements with which the *securities offeror* is obligated to comply pursuant to applicable notifications, using the methods specified in the *prospectus*;

(2) not offer for sale any *securities* in combination with other *securities*, unless it is expressly stated otherwise in the *prospectus*;

(3) disclose to investors information for consideration of *securities* subscription, as the share offeror is required to comply with applicable notifications, before the investors subscribe to purchase such *securities*; and

(4) provide each *private fund management company* that expresses its interest to subscribe to purchase *securities* with a list of names of persons with whom the *securities underwriter* has restrictions in the allotment of *securities* under Clause 20.

**Clause 12** In the case of underwriting of *securities* offered for sale by a director, *executive, major shareholder, controlling person, parent company*, or *subsidiary* of a *securities underwriter* or its *related person*, who is not prohibited under Clause 8 or Clause 10, as the case may be, the *securities underwriter* shall disclose the relationship between such person and itself to investors.

## Part 2

### Management of Subscription Money

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**Clause 13** Subscription money shall be deposited into an account for securities subscription of the securities offeror or excluded from the *securities underwriter*'s account within the business day following the day on which the *securities underwriter* collects money from the subscribers. Subscription money shall not be used for any other purposes.

**Clause 14<sup>2</sup>** A *securities underwriter* shall make an agreement with the securities offeror with respect to the subscription money as follows:

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<sup>2</sup> Amended by the *Notification of the Capital Market Supervisory Board No. Tor Thor. 10/2560 Re: Rules, Conditions, and Procedures for Securities Underwriting (No. 2)* dated 14 February 2017 (effective on 1 March 2017).

(1) the subscription money shall be returned to the subscribers within the period and according to the method specified by the Association of Thai Securities Companies with the approval of the SEC Office, in any case, no later than ten business days as from the *offering closing date*, the last day of the period for cancelling subscription, or the date when a fact appears to be the cause of offering cancellation, as the case may be;

(2) in the case where the subscription money cannot be returned to the subscribers within the period specified under (1), it shall be a provision that the subscribers are entitled to receive an interest at a rate not less than 7.5 percent per annum as from the date after such time period ends;

(3) no amount of the subscription money received in excess of the total amount expected from the offer for sale of *securities* shall be used for any purposes except for returning the subscription money to the subscribers who have not received an allotment.

### **Part 3**

#### **Dissemination of Information about Underwritten Securities**

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**Clause 15** A *securities underwriter* may disseminate information about offer for sale of *securities* that is not included in the registration statement or a draft prospectus during the period starting from fifteen days before the first offering date and ending on the *offering closing date* or *the day on which an over-allotment of shares is provided in full*, as the case may be, only when the information is prepared by the securities offeror in accordance with the *Notification of the Office of the Securities and Exchange Commission regarding Dissemination of Information relating to Securities Offering* prior to the effective date of the registration statement and the draft prospectus.

**Clause 16** A *securities underwriter* may disseminate an article or research paper regarding underwritten *securities* within the following time periods, according to the following conditions:

(1) During the period starting from fifteen days before the first offering date and ending on the *offering closing date* or *the day on which an over-allotment of shares is provided in full*, as the case may be, such article or research paper may be disseminated under the following conditions:

(a) the article or research paper is to be published in a document that is regularly prepared and disseminated to the public in the normal course of business;

(b) the dissemination is to revise or add more information to an article or research paper previously disseminated;

(c) the content of the article or research paper does not focus on or give special importance to the underwritten *securities* or related *securities*, as compared to articles or research papers on other general *securities* previously prepared and disseminated;

(d) the article or research paper contains a statement that allows investors to know of the interest, whether direct or indirect, of the person who prepares the article or research paper in the underwritten *securities*, and such statement is written in a clear, legible font, in a size not smaller than the normal font used in that article or research paper, and is shown on the same page as the conclusion of the article or research paper, or in a similar position that is noticeable; and

(e) the article or research paper does not relate to newly-issued shares initially offered to the public with the objective to list such shares in the *Stock Exchange*;

(2) During the thirty-day period starting from the *offering closing date* or *the day on which an over-allotment of shares is provided in full*, as the case may be, such article or research paper may be disseminated under the following conditions:

(a) the article or research paper contains a statement that allows investors to know of the interest, whether direct or indirect, of the person who prepares the article or research paper in the underwritten *securities*, and the amount of *securities* which the *securities underwriter* is obliged to purchase according to the securities underwriting agreement; and

(b) the statement in subclause (a) is written in a clear, legible font, in a size not smaller than the normal font used in that article or research paper, and is shown on the same page as the conclusion of the article or research paper, or in a similar position that is noticeable.

**Clause 17** The provisions of Clause 16 shall apply *mutatis mutandis* to dissemination of an article or research paper on other *securities* which relate to the underwritten *securities* in a manner that any change in said *securities* may directly affect the price of the underwritten *securities*.

**Clause 18** In the case of underwriting of shares of a foreign country, according to the *Notification of the Capital Market Supervisory Board regarding Offer for Sale of Shares Issued by Foreign Companies*, if the share offeror prepares the registration statement in English only, the *securities underwriter* may not disseminate information about said offer in Thai, except for information which has the same message as the Thai information shown in an appendix of the registration statement for the offer for sale of said securities.

#### **Chapter 4**

#### **Securities Allotment**

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**Clause 19** The provisions in this Chapter shall apply to allotment of *securities* for an offeror who is obliged to file a registration statement and a draft prospectus with the SEC Office.

**Clause 20** *Securities* allotment shall be made in accordance with the following rules:

(1) A *securities underwriter* shall not allocate underwritten shares to any *subsidiary* of the issuer;

(2) A *securities underwriter* shall not allocate underwritten shares or *trust units* to any of the following persons, except in the case of allotment of the remaining shares or *trust units* after subscription by all subscribers, or allotment of shares or *trust units* according to Clause 21:

(a) itself;

(b) a director, *executive, major shareholder, or controlling person* of the *securities underwriter* under subclause (a);

(c) the *parent company* or a *subsidiary* of the *securities underwriter* under subclause (a);

(d) a **related person** of any of the persons under subclause (b);

(3) In the case of allotment of any of the following debt instruments, which are generally offered to the public, to any person in subclause (2), the **securities underwriter** shall allocate these securities according to the conditions in Clause 22, except for allotment of debentures or bills in a bid to renew existing ones, provided that relevant information has been disclosed in the registration statement and the **prospectus**, or allotment of the remaining debt instruments after subscription by all subscribers:

(a) **bonds**;

(b) debentures;

(c) convertible bonds;

(d) structured notes;

(e) Sukuk;

(f) bills of which the value is fixedly determined and the benefit rate is preset at an equal rate for each bill.

**Clause 21** A **securities underwriter** may allocate underwritten shares or **trust units** to the persons to which allotment is prohibited under Clause 20(2) only in any of the following cases:

(1)<sup>3</sup> allotment of shares offered to the creditor of the issuer according to a rehabilitation plan that has been approved by a court pursuant to the law on bankruptcy or a debt restructuring agreement, whereby the persons to whom allotment is prohibited under Clause 20(2) are entitled to such allotment because of their position, provided that relevant information has been disclosed in the registration statement and the **prospectus**.

(1/1)<sup>4</sup> allotment of shares or **trust units** to any eligible person under the right arising from any prior commitment which grants the right to hold shares or **trust units** because such person is a shareholder of a listed company, a holder of trust units or a unitholder of a property fund, provided that such information has been disclosed in the registration statement and **prospectus**.

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<sup>3</sup> Amended by the *Notification of the Capital Market Supervisory Board No. Tor Thor. 10/2560 Re: Rules, Conditions and Procedures for Securities Underwriting (No. 2) dated 14 February 2017* (effective on 1 March 2017).

<sup>4</sup> *Ibid.*

The allotment of shares or *trust units* to the persons in Paragraph 1 shall not exceed their existing holding proportion. In this regard, the allotment of shares to a shareholder of a listed company which holds shares of the issuer shall not exceed the holding limit of the listed company holding shares of such issuer.

(2) allotment of a number of shares to directors and employees of the issuer or its *subsidiary*, clearly separately from the number of shares to be offered for sale to the public, provided that the persons to which allotment is prohibited under Clause 20(2) are entitled to allotments because of their position, and that relevant information has been disclosed in the registration statement and the *prospectus*;

(3) allotment of shares or *trust units* to any of the persons to which allotment is prohibited under Clause 20(2) under the following conditions:

(a) The person to which allotment is prohibited under Clause 20(2) is a fund or legal entity that is an *institutional investor* and meets all the following requirements:

1. The restricted entity is a fund that pools funds from wide groups of people, a government fund, a legal entity of which the major objective is to administer and manage funds for the government sector, or a legal entity that invests in *securities* or financial instruments primarily aimed at supporting the insurance business;

2. The beneficiaries from the investments in *securities* or financial instruments of the fund or legal entity under subclause 1. are wide groups of people, whether directly or indirectly, or the investments are for the benefits of the state or the public;

3. The fund or legal entity under subclause 1. is under the supervision of the SEC Office or any other regulatory government agency, or has obtained approval of the SEC Office on a case-by-case basis in cases where such fund or legal entity is not under direct supervision of any regulatory agency;

(b) The number of the allocated *securities* shall not exceed the followings:

1. In the case of shares, the number of allocated shares shall not exceed twenty-five percent of the total number of shares approved to be offered for sale in the same offering;

2. In the case of *trust units* of a REIT, the number of allocated *trust units*, when combined with the number of *trust units* allocated to persons who will distribute, transfer, rent out, or otherwise give the right to real estate to the REIT and persons who are related to these persons, according to the *Notification of the Capital Market Supervisory Board regarding Issuance and Offer for Sales regarding Units of Real Estate Investment Trusts*, shall not exceed fifty percent of the total number of *trust units* sold in the same offering, and shall not exceed fifty percent of the total number of *trust units* of the same type sold in the same offering, if the *trust units* are divided into different types;

3. In the case of *trust units* of an InvIT, the number of allocated *trust units*, when combined with the number of *trust units* allocated to persons who will distribute, transfer, rent out, or otherwise give the right to the property of an infrastructure business to the InvIT and persons who are related to these persons, according to the *Notification of the Capital Market Supervisory Board regarding Issuance and Offer for Sale of Units of Infrastructure Investment Trust*, shall not exceed fifty percent of the total number of *trust units* sold in the same offering, and shall not exceed fifty percent of the total number of *trust units* of the same type sold in the same offering, if the *trust units* are divided into different types;

(c) The rules on allotment of *securities* to general subscribers shall apply to allotment of shares and *trust units* to persons to which allotment is prohibited under Clause 20(2) who are funds or legal entities under subclause (a); and

(d) It is stated in the registration statement and the *prospectus* that persons to which allotment is prohibited under Clause 20(2) who are funds or legal entities under subclause (a) can receive an allotment of shares or *trust units* under the conditions under subclauses (a), (b), and (c).

**Clause 22** Debt instruments which are generally offered for sale to the public shall be allocated to persons under Clause 20(2) under the following conditions:

(1) In determining the offering price of the debt instruments at the stage of book building, the offering price of debt instruments for persons under Clause 20(2)(a) shall not be combined with the offering price of the debt instruments for other investors;



(2) The total number of debt instruments to be allocated to all persons under Clause 20(2) shall not exceed the number of debt instruments allocated to investors who offer to sell the debt instruments according to the book building divided by the number of debt instruments allocated to said investors; and

(3) It is stated in the registration statement and the *prospectus* that persons under Clause 20(2) may subscribe to purchase and receive an allotment of the debt instruments under the conditions under subclauses (1) and (2).

## Chapter 5

### Trading of Shares and Trust Units

#### While Providing Services as a Securities Underwriter

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**Clause 23** A *securities underwriter* may not purchase or sell the following shares or *trust units*, whether for itself or for clients, during the period starting from 5 days before the first offering date and ending on the *offering closing date* or *the day on which an over-allotment of shares is provided in full*, as the case may be, except for purchase or sale under an agreement on the underwriting of such shares or *trust units* or under Clause 24:

(1) shares of the offeror, in the case of the underwriting of shares, convertible bonds, or share warrants;

(2) underlying shares of derivatives warrants, in the case of the underwriting of derivatives warrants;

(3) underlying shares of structured debentures, in the case of the underwriting of structured debentures;

(4) *trust units* of the offeror, in the case of the underwriting of *trust units*.

**Clause 24** The restriction in Clause 23 shall not apply to the purchase or sale of shares or *trust units* in any of the following cases:

(1) unsolicited purchase or sale under a client's order by the *securities underwriter* as a broker for the client;

(2) purchase or sale for investment recognized as the *securities underwriter's* own assets due to an error in submitting an order to buy or to sell shares or *trust units* for a client;

(3) purchase of shares for investment recognized as the *securities underwriter's* own assets in accordance with the requirements on purchase of shares in the *Stock Exchange* for delivery to subscribers who receives an over-allotment or return to the lender, according to the *Notification of the Capital Market Supervisory Board regarding Allotment of Shares in Excess of Underwriting Amount*;

(4) purchase or sale for investment recognized as the *securities underwriter's* own assets for any of the following purposes, provided that measures to prevent conflicts of interest are put in place, according to the *Notification of the Office of the Securities and Exchange Commission regarding Detailed Regulations on Investment Recognized as Intermediary's Own Assets*;

(a) to perform its duty as the *market maker* of an *ETF Fund*;

(b) to manage risks from the *securities underwriter's* issuance of instruments on which the underwritten shares or *trust units* are based;

(c) to manage risks from the *securities underwriter's* derivatives position prior to the time period in which purchase or sale of shares or *trust units* is prohibited under Clause 23;

(5) purchase or sale of the following stocks in the *Stock Exchange*, provided that measures to prevent conflicts of interest are put in place, according to the *Notification of the Office of the Securities and Exchange Commission regarding Detailed Regulations on Investment Recognized as Intermediary's Own Assets*:

(a) component stocks in the SET50 Index;

(b) component stocks in the SET100 Index, provided that each stock ranked between fifty-first and one hundredth has an average quarterly trading volume of not less than ten billion baht over the four most recent consecutive quarters.

**Clause 25** In the case of an initial public offering of shares or *trust units* with the purpose to list said shares or *trust units* in the *Stock Exchange*, the *securities underwriter* shall not sell the shares or *trust units* held for itself during the period starting from the *offering closing date* and ending at least fifteen days after the shares or *trust units* have been traded on the *Stock Exchange*.

The provisions in paragraph one shall not apply to sale of shares or *trust units* in any of the following cases:

(1) sale of shares which the *securities underwriter* have held for more than two years before the issuer files an application for offer for sale of newly-issued shares or before the share owner files the registration statement and a prospectus draft, provided that the number of shares sold by the *securities underwriter*, when combined with the number of shares sold by its *executives* and employees under Clause 26, and by *related securities companies* under Clause 27(2), shall not exceed one percent of the shares offered for sale to the public during the restricted period under paragraph one;

(2) sale of shares or *trust units* which the *securities underwriter* is obligated to buy according to the underwriting agreement, provided that the number of shares or *trust units* sold shall not exceed the number of shares or *trust units* bought by the *securities underwriter*.

**Clause 26** The *securities underwriter* shall ensure that the purchase or sale of shares or *trust units* by its *executives* and employees who take part in the *securities* underwriting complies with the rules set out in Clause 23, Clause 24, and Clause 25, *mutatis mutandis*.

## Chapter 6

### Rules for Related Securities Companies

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**Clause 27** The following provisions shall apply to *related securities companies*, *mutatis mutandis*:

- (1) the provisions regarding dissemination of information about underwritten *securities* in Clause 16 and Clause 17;
- (2) the provisions regarding trading of shares and *trust units* while providing services as a *securities underwriter* in Clause 23, Clause 24, and Clause 25.

**Clause 28** A *securities underwriter* shall inform *related securities companies* of their obligations under this Chapter.

## Chapter 7

### Reporting of Securities Allotment Results

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**Clause 29** In this Chapter:

*“allotment in board lots”* means an allotment method in which the *securities underwriter* determines the board lot size of shares that one can subscribe to purchase and in which shares are allocated to each subscriber equally in one board lot until all the underwritten shares are allocated, but not including shares for allotment to *institutional investors*, directors or employees of the issuer, clients who have had trading accounts and transactions with the *securities underwriter* prior to this offering, or patrons of the issuer (if any).

**Clause 30** The *securities underwriter* shall collaborate with the offeror to report allotment of *securities* to the SEC Office, in accordance with the rules set out in the *Notification of the Office of the Securities and Exchange Commission regarding Reporting the Results of Selling Securities to the Public*.

**Clause 31** In the case of the underwriting of shares in an initial public offering with the purpose of listing such shares in the *Stock Exchange*, if the *securities underwriter* does not use the procedure of *allotment in board lots*, the *securities underwriter* shall:

- (1) prepare a list of one hundred persons who receive the largest allotments, excluding persons who receive allotments as directors, employees, or patrons of the issuer, together with the reason for the allotment to each person, the list of names being sorted according to the allotment information provided by each *securities underwriter*, and submit it to the SEC Office together with a report on securities sales results;
- (2) prepare a summary report on share allotment to a group of clients who have had trading accounts and transactions with the *securities underwriter* prior to this offering and to a group of persons who have not, showing the number of allocated persons, the number of allocated shares, and the value of shares allocated to each group of persons;

(3) keep documentary evidence or information that justifies a share allotment to any person in the value of one million baht or more at the main office of the *securities underwriter* for at least one year from the *offering closing date* in a manner that allows such evidence or information to be promptly presented to the SEC Office upon request.

## **Chapter 8**

### **Transitional Provisions**

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**Clause 32** All Notifications of the Office of the Securities and Exchange Commission, orders, and circulations which were issued by virtue of or set out guidelines in accordance with the provisions under the *Notification of the Capital Market Supervisory Board No. Tor Thor. 70/2552 Re: Rules, Conditions, and Procedures for Securities Underwriting*, dated 3 August 2009, which had been in effect prior to the day this Notification comes into force, shall remain in full force to the extent that they are not contrary to nor inconsistent with this Notification until relevant notifications, orders, and circulations which are issued by virtue of or set out guidelines in accordance with this Notification come into force.

**Clause 33** Any reference made in any other Notifications to the *Notification of the Capital Market Supervisory Board No. Tor Thor. 70/2552 Re: Rules, Conditions, and Procedures for Securities Underwriting*, dated 3 August 2009 shall mean reference to this Notification.

**Clause 34** In cases where a *securities underwriter* has been engaged as a *securities underwriter* under a securities underwriting agreement or contract with an offeror prior to the day this Notification comes into effect, such *securities underwriter* may continue to be a *securities underwriter* under said agreement or contract even if the acceptance of the engagement does not comply with the requirements in Chapter 2 of this Notification.

Notified this 8th day of July 2016.

(Rapee Sucharitakul)  
Secretary-General  
Office of the Securities and Exchange Commission  
Chairman  
Capital Market Supervisory Board