

(UNOFFICIAL TRANSLATION)

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

Notification of the Securities and Exchange Commission

No. Kor Thor. 4/2561

Re: Maintenance of Capital of Investment Advisors and Derivatives Advisors

By virtue of Section 14 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 97 of the *Securities and Exchange Act B.E. 2535 (1992)* and Section 9 and Section 49 of the *Derivatives Act B.E. 2546 (2003)*, the SEC Office hereby issues this Notification with details as follows:

Clause 1 The following Notifications shall be repealed:

(1) *Notification of the Securities and Exchange Commission No. Kor Thor. 4/2557 Re: Ongoing Capital Adequacy of Some Specific Intermediaries* dated 5 June 2014;

(2) *Notification of the Securities and Exchange Commission No. Kor Thor. 12/2560 Re: Ongoing Capital Adequacy of Some Specific Intermediaries (No. 2)* dated 20 February 2017.

Clause 2 In this Notification:

“*intermediary*” means an *intermediary* engaging in the business of investment advisory service or derivatives advisory service;

“*insurance*” means a professional indemnity insurance.

Clause 3 This Notification shall not apply to the following *intermediaries* which are:

(1) the following financial institutions:

- (a) a commercial bank under the Law on Financial Institution¹;
- (b) a life insurance company under the Law on Life Insurance²;
- (c) a financial institution established under any other law.

(2) the intermediary who has maintained capital under other notification concerning the maintenance of capital;

(3) the intermediary which has ceased its business according to the notifying letter submitted to the SEC Office.

¹ The *Law on Financial Institution* means the *Financial Institution Act B.E. 2551 (2008)*.

² The *Law on Life Insurance* means the *Life Insurance Act B.E. 2535 (1992)*.

Clause 4 The *intermediary* shall maintain the capital in the amount not less than the maximum rate of the following amounts:

- (1) one hundred thousand baht;
- (2) average quarterly expenses, provided that the expenses are limited only to expenses relating to the business operation;
- (3) ten percent of the average annual income but not exceeding five million baht, provided that the income is limited to income in relation to the business operation.

The intermediary under Paragraph 1 who is qualified and has given the notice of intent to the SEC Office under the *Notification of the Capital Market Supervisory Board Re: Temporary Rules on Business Operation of Specific Intermediaries And a Certain Type of Derivatives Intermediaries* shall maintain the capital in accordance with Paragraph 1(1) only.

With respect to the calculation of the amounts under Paragraph 1(2) or (3), where the *intermediary* engages in the business of investment advisory service as well as the derivatives advisory service, the expenses or income arising from the investment advisory service and the derivatives advisory service shall be included in the calculation for the maintenance of capital under Paragraph 1(2) or (3), as the case may be.

Clause 5 For compliance with this Notification, the SEC Office shall be empowered to stipulate in detail the criteria for the following matters:

- (1) details on liquid assets and *insurance* and use of such assets for the maintenance of capital;
- (2) calculation of capital.

Clause 6 This Notification shall come into force as from 1 April 2018.

Notified this 17th day of January 2018.

(Mr. Voravidh Champheeratana)
Chairman
Securities and Exchange Commission