

NOTIFICATION OF THE STOCK EXCHANGE OF THAILAND

Re: Basket-Order Trading, 2006

By virtue of Clause 4 and Clause 33 of the Regulations of the Stock Exchange of Thailand Re: Trading, Clearing and Settlement of Securities in the Exchange (No. 2), 1999 dated August 31, 1999, the Stock Exchange of Thailand hereby issues the following regulations:

1. This Notification shall come into force on July 3, 2006. **Effectiveness**

2. In this Notification, **Definition**

“Basket-order trading” means the recording a bid or offer for a batch of securities at a single time.

*“ETF” means the Exchange Traded Fund of which the investment units are listed securities in accordance with the regulations of the Exchange regarding listing of investment units as listed securities;

*“participating dealers” means the persons with whom the management company enters into an agreement to sell and repurchase the ETF investment units according to the quantities or value as prescribed in a fund management scheme;

*“Management company” means a management company as prescribed by the regulations of the Exchange regarding the listing of investment units as listed securities.

*(*Amended July 2, 2007.)*

3. Basket-order trading shall be made on the main board and the foreign board by means of recording the bids or offers into the trading system in order that the trading system can match the bid with offer (Automated Order Matching: AOM). **Trading boards**

*The basket-order trading under the first paragraph shall be the same as the trading under the Notifications of the Stock Exchange of Thailand to the extent not contrary to or inconsistent with these Regulations

(1) Trading, Clearing and Settlement of Securities in the Exchange;

(2) Trading on the Main Board;

(3) Rules, Conditions Procedures relating on the Foreign Board.

*(*Amended July 2, 2007.)*

4. A member shall record basket-order trading for each batch of securities in accordance with the following criteria: **Trading method**

(1) Being the bid or offer of one customer;

* (2) Being the bid or offer for securities in the SET50 Index or securities in the FTSE SET Large Cap Index or securities listed for underlying index calculation of ETF ;

*(*Amended July 21, 2008.)*

*(*Amended November 18, 2008)*

* (3) The total number of securities is not less than 10 securities except for buying or selling by a participating dealer or market maker of the ETF with the policy to invest in securities based on sectoral index , for the purpose to create or redeem the ETF investment units with the management company, the total number of securities is not less than 5 securities;

*(*Amended July 21, 2008.)*

* (4) The total trading value is not less than Baht 15 million, except for buying or selling by a participating dealer or market maker of the ETF, for the purpose to create or redeem the ETF investment units with the management company;

*(*Amended July 2, 2007.)*

*(**Amended July 21, 2008.)*

* (5) Being the bid or offer which specifies bid or offer at the opening price or bid or offer at the closing price or a firm bid or offer price within the spread, and the price shall be not less than and not more than 3 percent ($\pm 3\%$) of the last trading price of the such securities; and

*(*Amended November 18, 2008)*

(6) Having a recording of the bid or offer speed not in excess of the rate prescribed by the Exchange.

5. The recording of the bid or offer in basket-order trading must consist of the following particulars: **Conditions on recording of a bid or offer**

(1) A letter as designated by the Exchange;

(2) The serial number of the recording of bids or offers via the Basket-order trading (Basket Number); and

(3) The Customer ID.

*6. A member may not use a computer program in basket-order trading that can automatically recording of an offer, except with the permission of the Exchange. **Use of program trading**

*(*Amended July 2, 2007.)*

7. A member shall agree to be bound by each bid or offer at the time that each bid or offer is automatically carried out by the trading system, and must ensure that its customer acknowledges and accepts such binding effect. **Effect of a bid or offer**

8. In the case of necessity that may be caused to the trading system or overall securities trading, the Exchange may order the member to suspend the trading of securities via basket-order trading.

**Temporary
suspension of
basket-order
trading**

*In the case of a temporary suspension of all tradings in the securities exchange due to the Exchange's circuit breaker system, the Exchange shall order the member to suspend the trading of securities via basket-order trading.

*(*Amended November 18, 2008)*

Notified on this 30th day of May 2006.

(Signed) Kittirat Na-Ranong

(Mr. Kittirat Na-Ranong)
President

Rationale of the Notification: The Exchange deems it appropriate to add rules regarding the recording of bids and offers for basket-order trading in order to improve members' efficiency in their management of trading orders and to provide a trading tool for managing the risks in derivatives trading. Therefore, it is expedient to issue this Notification.