

NOTIFICATION OF THE STOCK EXCHANGE OF THAILAND

Re: Trading of Debt instruments, 2003

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 November 17, 2003. **Effectiveness**
2. The Notification of the Stock Exchange of Thailand Re: Rules, Conditions and Procedures relating to Trading on the Special Board (No. 1), 1998 dated May 20, 1998 shall be repealed. **Repealing provision**
3. In this Notification: **Definition**

 - *“Debt instruments” means treasury notes, bonds, debentures, convertible debentures, short-term debentures, debentures under a securitization schemes, warrants on debentures or any other securities similar thereto.
(*Amended June 28, 2005)
 - *“net clearing report” means a report on the net clearing and settlement of securities prepared by the Clearing House to show the transactions of clearing and settlement of securities of the Clearing House member and of all customers of the Clearing House member for whom the Clearing House member has the duty to execute the clearing and settlement of securities to the Clearing House;
(*Added June 28, 2005)
 - *“gross clearing report” means a report on the clearing and settlement of securities based on amounts of respective trading transactions which is prepared by the Clearing House to show the transactions of clearing and settlement of securities of the Clearing House member and of all customers of the Clearing House member for whom the Clearing House member has the duty to execute the clearing and settlement of securities to a counterparty member of the Clearing House;
(*Added June 28, 2005)
 - *“investment units of a fixed income fund” means investment units of a mutual fund which has the policy to invest in or possess deposits, debt instruments, or securities or other assets, or to seek returns by other means according to the Notification of the Securities and Exchange Commission Re: Rules, Conditions and Procedures for the Establishment and Management of Mutual Funds.
(*Added June 28, 2005)
4. The trading of debt securities must be the trading of securities on the main board, odd lot board or big lot board. **Trading boards**

<p>5. The recording of the bid and offer price of debt securities on the main board and odd lot board must include accrued interest according to the terms in the debt securities (if any). The bid and offer price must be recorded with no more than two decimals.</p>	<p>Recording of price on main board and odd lot board</p>
<p>*5/1 The recording of the bid and offer price of debt instruments on the big lot board and off-hour trading shall include the following:</p>	<p>Letters to be displayed on the big lot Board and off-hour trading</p>
<p>(1) Letter “N” in case the member wishes to clear and settle of securities according to the net clearing report.</p>	
<p>(2) Letter “G” and specifying the date of the clearing and settlement of securities at the period required by the clearing house in case the member wishes to clear and settle of securities according to the gross clearing report.</p>	
<p>(*Added June 28, 2005)</p>	
<p>6. The recording of the bid and offer price of debt securities on the big lot board and off-hour trading must include accrued interest according to the terms in the debt securities (if any).</p>	<p>Recording of price on big lot board and off-hour trading</p>
<p>7. The trading of debt securities on the main board must be a bid or an offer made in board lot of debt securities with one board lot consisting of 100 debt securities, and each trading volume must not exceed 10,000 debt securities.</p>	<p>Trading on main board</p>
<p>The trading of debt securities on the main board shall be in the same manner as the trading of securities on the main board in accordance with the following Regulations of the Exchange to the extent as they are not contrary to or inconsistent with this Notification:</p>	
<p>(1) Regulations of the Exchange Re: Trading, Clearing and Settlement of Securities in the Exchange except for the rules relating to the change of the ceiling or floor price of the bid or offer of securities on each day;</p>	
<p>(2) Regulations of the Exchange Re: Trading on the Main Board except for the rules relating to the price within the spread.</p>	
<p>8. The trading of debt securities on the odd lot board shall be in the same manner as the trading of securities on the main board in accordance with the Regulations of the Exchange Re: Trading, Clearing and Settlement of Securities on the Exchange except for the rules relating to the change of the ceiling or floor price of the bid or offer of securities on each day.</p>	<p>Trading on odd lot board</p>
<p>The trading of debt securities on the odd lot board shall be in the same manner as the trading of securities on the odd lot board in accordance with the Regulations of the Exchange Re: Trading on the Odd Lot Board except for the rules relating to the price within the spread.</p>	
<p>*8/1 Debt instruments traded on the main board and on the odd lot board during business hours shall meet the following criteria:</p>	<p>Conditions on trading of debt instruments on the main board and the odd lot board</p>

(1) No transfer restriction

(2) In case of debt instruments that require credit rating, each issue thereof must be rated at least at investment grade or its equivalent until the claims under those debt instruments are extinguished; or in case of debt instruments that are investment units of a fixed income fund, they must be investment units of a fixed income fund having the policy to invest in debt instruments that has an overall credit rating similar to the credit rating of debt instruments according to the aforesaid criteria.

In case where it is necessary and appropriate, the Exchange may grant relaxation on credit rating of the debt instruments whereby the Exchange may also impose a time clause or other conditions by taking into consideration the investors' necessity to have such credit rating information.

(*Added June 28, 2005)

*8/2 For any trading of debt instruments which are disqualified under Clause 8/1, those debt instruments may be traded during business hours only on the big lot board or in the off-hour trading. The Exchange will fix the starting date of such trading on the big lot board or the starting date of the off-hours trading

(*Added June 28, 2005)

Debt instruments which are disqualified under Clause 8/1

9. The trading of debt securities on the big lot board must have each trading volume of 10,000 debt securities or more, or have a trading value of 10 million baht or higher based on the price at which the buyer and seller agree to trade the debt securities.

Trading on big lot board

The trading of debt securities on the big lot board shall be in the same manner as the trading of securities on the big lot board in accordance with the Regulations of the Exchange Re: Trading on the Big Lot Board to the extent as they are not contrary to or inconsistent with this Notification.

10. The trading of debt securities in off-hour trading shall be made on the main board or big lot board, and shall be in accordance with the following rules:

Off-Hour Trading

(1) the trading of debt securities on the main board must have each trading volume less than 10,000 debt securities, and have a trading value less than 10 million baht based on the price at which the buyer and seller agree to trade the debt securities;

(2) the trading of debt securities on the big lot board must have each trading volume of 10,000 debt securities or more, or have a trading value of 10 million baht or higher based on the price at which the buyer and seller agree to trade the debt securities.

The trading of debt securities in off-hour trading shall be in the same manner as the trading of securities in off-hour trading in accordance with the Regulations of the Exchange Re: Off-Hour Trading to the extent as they are not contrary to or inconsistent with this Notification.

11. A member shall submit a report on trading of debt securities outside the Exchange whether in the capacity of a broker or an agent or in the member's own name to the Exchange in the form provided by the Exchange within 7 days from the end of the month. **Report on trading outside the Exchange**

Notified on this 13th day of November 2003.

Signed (Kittirat Na-Ranong)

(Mr. Kittirat Na-Ranong)
President

Rationale of the Notification: In order to provide more investment channel to general investors and institutional investors in the debt market of the country and to offer additional fund mobilization source of various instruments to economic sectors of the country, with the view to promoting the role of debt market in the development of efficiency and expansion of equity market, it is appropriate to prescribe the rules regarding trading of debt securities in the Exchange.