

## NOTIFICATION OF THE STOCK EXCHANGE OF THAILAND

### Re: Trading of Securities by Market Makers, 2002

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By virtue of Clause 7 of the Regulation of the Stock Exchange of Thailand Re: Trading, Clearing and Settlement of Securities on 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 as from October 16, 2002. **Effectiveness**

2. The Notification of the Stock Exchange of Thailand Re: Trading of Securities by Market Makers dated August 15, 1996 shall be repealed. **Repealing provision**

3. In this Notification: **Definition**

\*“market maker” means a member registered as a market maker to stabilize the liquidity of securities trading;

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

\*“management company” means a management company under the regulations of the Exchange regarding listing of investment units as listed securities.

(\*Amended July 2, 2007.)

## CHAPTER 1

### Application for and Registration of Market Makers

4. A member who wishes to be a market maker of any securities shall file an application for registration as a market maker for such securities in the form prescribed by the Exchange not less than 3 business days prior to the date on which the member commences the duties as a market maker. **Registration as a market maker**

The Exchange shall notify the applying member of a result of consideration of the application under the first paragraph and announce it to members in general.

## CHAPTER 2

### Duties of Market Makers

5. Upon occurrence of any of the following events on the main board or the foreign board for not less than 5 minutes, the market maker shall have the duty to ensure the trading of securities stabilized by it for the company’s account on the board on which such event takes place, as the case may be: **Duties of market makers**

- (1) There are not less than 10 different spreads between the highest bid prices and the lowest offer prices;
- (2) There are only the bid prices or the offer prices; or
- (3) There are neither the bid price nor the offer price.

To ensure the trading of securities under the first paragraph, the market maker shall carry out the trading in accordance with the following methods and should make the bids or offers in the amount as designated by the Exchange:

(1) To make the bids or offers so that there shall be less than 10 different spreads between the highest bid prices and the lowest offer prices on the board within 5 minutes from the occurrence of event under the first paragraph, and not to cancel those bids or offers within 5 minutes from the time they are recorded into the trading system.

(2) To make each bid or offer which consists of not less than 5 board lots.

**\*5/1.** In the case of a market maker of the ETF investment units, such market maker shall perform its duties under clauses 5/2 and 5/3 instead, and are not obliged to perform the duties under clause 5 and clause 6.

*(\*Amended July 2, 2007.)*

**Performance of duties by a market maker of the ETF investment units**

**\*5/2.** Upon occurrence of any of the following events on the main board during the daily business hours for not less than 5 minutes, except during the period before the closure of the second trading session, the market maker shall have the duty to ensure the trading of the ETF investment units is stabilized by it for the company's account as follows:

**Duties of a market maker of the ETF.**

- (1) there are different spreads between the highest bid prices and lowest offer prices as prescribed by the management company with the approval of the Exchange; or
- (2) there are only the bid prices or the offer prices; or
- (3) there are neither the bid prices nor the offer prices.

To ensure the trading of the ETF investment units under the first paragraph, the market maker shall carry out the trading in accordance with the following procedures:

(1) To make the bids or offers so that the number of different spreads between the highest bid prices and the lowest offer prices on the board is less than that under (1) of the first paragraph within 5 minutes from the occurrence of an event under the first paragraph, and not to cancel those bids or offers within 3 minutes from the time they are recorded into the trading system.

(2) To make each bid or offer which consists of not less than 5 board lots.

(3) To indicate the Designated Trader ID when recording a bid or offer.

The Exchange will evaluate the performance of duty with regard to ensuring the trading of investment units under the second paragraph in accordance with the criteria prescribed by the Exchange.

*(\*Amended July 2, 2007.)*

**\*5/3.** The duties of a market maker of the ETF investment units shall include the following:

**Other duties of a market maker**

(1) To specify the names of securities stabilized by it in an analysis of securities prepared for customers.

(2) To post an announcement at a public place in its office that it is a market maker for such securities.

*(\*Amended July 2, 2007.)*

**\*5/4.** A market maker of the ETF investment units may use program trading software only after it has been permitted by the Exchange, and must comply with the regulations of the Exchange regarding program trading software approved by the Exchange.

**Use of program trading software**

*(\*Amended July 2, 2007.)*

**6.** The duties of a market maker shall include the following duties:

**Other duties of market maker**

(1) Not to trade the securities stabilized by it for the company's account during the following periods:

(a) In case of an initial public offering of shares, such non-trading period shall start from the date of commencement of trading of such shares on the Exchange until the date on which the procurer of over-allotted shares can fully procure the over-allotted shares which it has the duty to deliver or return in case of an over-allotment of shares.

(b) In case of a public offering of securities, such non-trading period shall start from the 5th day before the date of designation of the offer price of such securities until the date of closure of the offering in general cases or until the date on which the procurer of over-allotted shares can fully procure the over-allotted shares which it has the duty to delivery or return in case of an over-allotment of shares.

(2) To specify the names of securities stabilized by it in an analysis of securities prepared for customers.

(3) To post an announcement at a public place in its office that it is a market maker for such securities.

**\*7.** A market maker shall be exempted from its duties under the second paragraph of clause 5 and the second paragraph of clause 5/2 with respect to the securities stabilized by it in the following cases:

**Events where a market maker is exempted from duties**

(1) Such securities are subject to temporary suspension of trading by the posting of a H sign or SP sign on the board.

(2) Such securities cannot be normally traded in the event of the Exchange's order for temporary suspension of their trading.

(3) Others as the Exchange may deem appropriate.  
(\*Amended July 2, 2007.)

### CHAPTER 3

#### Punishment and Cancellation of Registration

**8.** In case that any market maker violates or fails to discharge its duties under this Notification, other than the Exchange's consideration to punish such market maker according to the Regulations of the Exchange Re: Membership Rules, the Exchange shall have power to punish the market maker as follows: **Punishment**

(1) To temporarily prohibit the member from acting as a market maker.

(2) To cancel the member's registration as a market maker.

**9.** In case that any market maker wishes to cancel its registration as a market maker, such market maker shall submit an application for cancellation of its registration to the Exchange not less than 3 business days prior to the date of its cessation of the performance of duties as a market maker. **Request for cancellation of registration as a market maker**

\* In the case that a market maker of the ETF investment units wishes to cancel its registration as a market maker, such market maker shall submit an application for cancellation of its registration to the Exchange not less than 30 days prior to the date of its cessation of duties as a market maker. **Cancellation of registration as a market maker**

(\*Amended July 2, 2007.)

**10.** In addition to the cancellation of registration as a market maker under Clause 8(2) and Clause 9, the Exchange shall cancel the registration of a market maker as from the date of occurrence of any of the following events: **Cancellation of registration as a market maker**

(1) The membership of the market maker is terminated.

(2) The securities stabilized by the market maker are delisted.

**11.** In case of cancellation of registration of any member as a market maker under Clause 8(2) or Clause 9, the Exchange shall notify the cancellation of registration to such member and announce it to members in general. **Notification of cancellation of registration as a market maker**

Notified on this 10th day of October 2002.

(Signed) Kittirat Na Ranong

(Mr. Kittirat Na Ranong)  
President

**Application for Registration as a Market Maker**

Date \_\_\_\_\_

To: President  
The Stock Exchange of Thailand

We, \_\_\_\_\_ Co., Ltd., membership no. \_\_\_\_\_, wish to apply for registration as a market maker of the Stock Exchange of Thailand to stabilize the liquidity of securities listed below:

1. Name of securities: \_\_\_\_\_,  
abbreviation: \_\_\_\_\_, traded on the [ ] main board [ ] foreign board.

2. Name of securities: \_\_\_\_\_,  
abbreviation: \_\_\_\_\_, traded on the [ ] main board [ ] foreign board.

3. Name of securities: \_\_\_\_\_,  
abbreviation: \_\_\_\_\_, traded on the [ ] main board [ ] foreign board.

We hereby certify that in performing services as a market maker, we agree to strictly comply with the rules, regulations and notifications prescribed by the Stock Exchange of Thailand in all respects.

Signature \_\_\_\_\_ Authorized person  
( \_\_\_\_\_ )

Company's seal affixed

Signature \_\_\_\_\_ Authorized person  
( \_\_\_\_\_ )

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Note: If the articles of association of the company stipulate that the juristic acts made by the company must be executed by two or more authorized directors, the authorized directors in such number must jointly sign their names and the company's seal must be affixed.

**Member Data Form for Registration as a Market Maker**

**1. Maintenance of net liquid capital on the last days during the previous 6-month period:**

<u>Particulars</u>	<u>1st Month</u>	<u>2nd Month</u>	<u>3rd Month</u>	<u>4th Month</u>	<u>5th Month</u>	<u>6th Month</u>
Net liquid capital						
Total liabilities						
Rate of net liquid capital (%)						

**2. Amount of money or investment fund fixed for acting as a market maker:**

Securities: \_\_\_\_\_ at an approximate amount of \_\_\_\_\_ million bath.

**3. Data of responsible department:**

Name of responsible department \_\_\_\_\_  
 Name of chief of department \_\_\_\_\_ Position \_\_\_\_\_  
 Telephone No. \_\_\_\_\_  
 Facsimile No. \_\_\_\_\_  
 Number of officers \_\_\_\_\_

List of authorized officers to perform services relating to duties of market maker:

1. Name of authorized officer \_\_\_\_\_, authorized officer's identification no. \_\_\_\_\_, in charge of stabilizing the liquidity of securities \_\_\_\_\_ traded on the [ ] main board [ ] foreign board.
2. Name of authorized officer \_\_\_\_\_, authorized officer's identification no. \_\_\_\_\_, in charge of stabilizing the liquidity of securities \_\_\_\_\_ traded on the [ ] main board [ ] foreign board.
3. Name of authorized officer \_\_\_\_\_, authorized officer's identification no. \_\_\_\_\_, in charge of stabilizing the liquidity of securities \_\_\_\_\_ traded on the [ ] main board [ ] foreign board.

**4. Availability of the analysis of securities stabilized by the member acting as a market maker or related securities:**

[ ] Yes [ ] No

If any, please attach the latest analysis report.

**5. Relationship with the securities issuing company in the last 3 years:**

5.1 Business relationship:

- Yes  No  
 Being a financial advisor (such as in the application for listing of securities, public offering, feasibility study of investment project or advisor for amalgamation etc.)

<u>Securities</u>	<u>Respecting to</u>
_____	_____
_____	_____
_____	_____

- Being an underwriter  
Name of securities \_\_\_\_\_

- Others (specify)  
\_\_\_\_\_  
\_\_\_\_\_

5.2 Relationship in the nature of direct or indirect shareholding between the member and the market maker in excess of 5 per cent of paid-up capital of the listed company:

- Yes  No

If any, please specify details.

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

5.3 The execution of a liquidity contract with the listed company for which the member acts as a market maker:

- Yes  No

If any, please specify names of the securities.

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

We hereby certify that the above statements are true and correct in all respects.

Signature \_\_\_\_\_ Authorized person  
( \_\_\_\_\_ )

Company's seal affixed

Signature \_\_\_\_\_ Authorized person  
( \_\_\_\_\_ )